FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 127 2 July 1986

ARGENTINA

LA PRENSA Comments on Soviet Press Conference [27 Jun] B 1
State Airline Pilots Start Indefinite Strike B 3
Government Declares Strike Illegal B 3
CGT Not To Return to Talks With Government B 3
[BUENOS AIRES HERALD 1 Jul]
Army Leadership Views Promotions, State of Law B 4
Bill Proposed To Close Uranium Complex B 5
Seventh Austral Devaluation Announced 30 June B 5
[BUENOS AIRES HERALD 1 Jul]

BOLIVIA

Defense Minister Reasserts Armed Forces Loyalty C 1
Minister Shows 'Subversive' Leaflets to Press C 1
Government Sounding Out Leftists in Congress C 1
Special Ambassador Linares Renegotiates Debt C 2

CHILE

Del Valle on U.S. Territorial Observations E 1
Del Valle Says No Corridor for Bolivia E 2
Socialist Factions Condemn Reagan's C.A. Policy E 2
Reportage on Events Surrounding National Stoppage E 3
Bomb Blasts, Fires E 3
PCCh Calls for 'Violent Actions' E 3
Valparaiso Communique on Stoppage E 4
Students, Army Clash E 4
Human Rights Commission Seen as Part of Transition E 5

ECUADOR

President Calls for Unity To Face Problems G 1
Febres Cordero Comments on Economy, Stability G 1
1 Terrorist Dies, 5 Arrested in Police Raid G 1

PARAGUAY

Ministry To Study Uruguayan, U.S. Protests H 1
[LA TARDE 1 Jul]
Ugarte Says Media Receive Cuban, Soviet Funds H 1
[HOY 1 Jul]
Ugarte: 'Official' Trade With PRC Prohibited H 2
[ULTIMA HORA 1 Jul]
Radio Nanduti's Sponsors Called 'Subversives' H 3
Charitas Director Not Allowed To Enter Country H 4

PERU

Garcia Denies Possibilty of Coup d'Etat J 1
Political Parties Appeal for National Unity J 1
Belaunde Urges Solidarity 1
APRA Supports Garcia J 2
PDC Expresses Support J 3
Secret Burials Reported After Prison Massacres J 3
Briefs: Seismological Agreement With Japan J 3

CENTRAL AMERICA

COSTA RICA

Government Prohibits Transit of Contra Aid P 1
Briefs: Colon Devaluation; Salvadoran Debt Service P 1

EL SALVADOR

Acevedo Comments on Meeting in Guatemala P 1
Duarte Seeks 'Advance' Talks With Rebels P 3
Venceremos Replies P 4

GUATEMALA

Cerezo Denies Meetings Planned With Rebels P 5
Hernandez on C.A. Parliament, Condeca Prospects P 5
[PRENSA LIBRE 28 Jun]
GAM States Position on Investigative Commission P 6
[EL GRAFICO 20 Jun]
Army Rejects GAM Statement P 7

HONDURAS

Azcona Voices 'Regret' at Ferch's Dismissal P 7
Rosenthal Discusses Nicaraguan Relations P 8
Venezuelan Ambassador Accused of 'Meddling' P 9
[TIEMPO 30 Jun]
Deputy Accuses Contras of Selling Arms to FMLN P 9
[TIEMPO 30 Jun]
Briefs: New Ambassador to Mexico P 10

NICARAGUA

Arce Addresses Foreign Press, Fields Questions P 10
Contra Aid, LA PRENSA Closure P 10
Terms for LA PRENSA Reopening P 11
Strictures on Opposition [AFP] P 12
Citizenship for 'Foreign Agents' P 13
ICJ Ruling Enforcement P 13
BARRICADA Explains Carballo Entry Denial [1 Jul] P 14
CPDH Leader Criticizes Human Rights Situation P 14
[LA NACION 21 Jun]
UNO Questions EPS Version of EEC Official's Death P 16
[EL SIGLO 24 Jun]
Rama River Floods Force Evacuation of Thousands P 17

Meningitis Epidemic Noted; U.S. Role Suspected P 17
Briefs: Finland Grants $20-Million Loan; New Spanish Ambassador P 17

CUBA

Soto Meets With CPSU's Dobrynin 30 June Q 1
Risquet Receives Ethiopian Party Official Q 1
Havana TV Condemns U.S. Aid to Contras Q 1
Castro Presides Over Politburo Meeting 27 Jun Q 2
Opens Genetic Engineering Lab Q 3
Briefs: New Ambassador to Iran Q 3

CARIBBEAN

Reportage on Caricom Ministers Meeting S 1
Barbados' Barrow Addresses Group S 1
Hoyte Calls for Joint Venture S 1
Rainford Marks Anniversary S 2
Barbados Urges Economic Integration S 4
Trade Credit Facility Discussed S 5
Commonwealth's Ramphal on RSA Sanctions S 6
OECS on Normal Trade Relations S 6

BAHAMAS

Prime Minister's Party Wins By-Election S 8

DOMINICA

IMF Negotiations Begin for $3-Million Loan S 8

JAMAICA

Seaga Says Polls Show Swing in JLP Favor S 8

ST VINCENT

U.S. Fishing Vessels' Captains Released S 9

TRINIDAD-TOBAGO

PPM Presents Slate of Election Candidates S 10

SURINAME

Two High-Ranking Military Officers Resign U 1
Arron Reportedly To Join New Government U 1

OTHER COUNTRIES

COLOMBIA

Pope Arrives for 7-Day Pastoral Visit V 1

PANAMA

Molirena Official's Car Destroyed by Bomb V 1
[EXTRA 30 Jun]

VENEZUELA

President Appoints New Defense Minister V 1

LA PRENSA COMMENTS ON SOVIET PRESS CONFERENCE

PY011727 Buenos Aires LA PRENSA in Spanish 27 Jun 86 p 1, 4

[Article entitled "Another Disturbing Error," by J. Iglesias Rouco]

[Excerpts] No one was surprised, least of all the government, over one of the most unusual incidents of the many that have recently taken place here: the press conference called by the Soviet military attache and charge d'affaires during which the Soviets issued serious charges not only against Great Britain, with which Argentina does not have diplomatic relations; but also against the United States, with which Argentina maintains diplomatic relations, and very important ones at that.

It is obvious that such an initiative must have had the previous approval of the Argentine Foreign Ministry. In sum: Argentina lent its territory so that a "friendly" power could attack another "friendly" or allegedly friendly power. This is, however a flagrant violation of those rules on which international diplomatic activities are based. The same thing would have happened if U.S. military attaches, or Ambassador Frank Ortiz, or his aides had issued charges against the USSR. From what we understand, Washington has reportedly discussed the possibility of submitting a formal protest to the Argentine Government in one way or another, either a public or private protest, in view of this unusual incident.

But let us wait and see what happens. Without going into detail about certain curiosities, if you can call them that, of the Soviet press conference, like for example the fact that the Soviet naval attache did not participate in the press conference, despite the fact that the charges made by his Soviet Embassy comrades were partly centered on the Malvinas issue and on the alleged nuclear contamination of the southern seas. This is an issue that must be discussed in detail since there are two recent developments which perhaps explain some of the reasons which have moved the Soviets to make Argentina, with the consent of the Argentine Government, the scenario of the East-West confrontation (a confrontation which according to President Alfonsin should not involve Argentine or Latin America in general): On the one hand, the U.S. Congress has just approved the controversial $100 million in aid to the Nicaraguan anti-Sandinists, contrary to the predictions of both the Soviet Union and Argentine Foreign Minister Dante Caputo. Therefore, when the Soviet Embassy called Argentine journalists, everybody was aware that the U.S. House of Representatives would approve this aid. On the other hand, the so-called Argentine Peace Council, which is quite close to the Alfonsin administration, issued a declaration yesterday -- which is in complete agreement with what the Soviets said in Buenos Aires -- against the "star wars" program which today represents the great military technological advantage that the United States has over the Soviet Union (which is moreover the center of Reagan's present strategy and one of his most singular political victories, together with the approved aid to the contras). In this declaration, the Argentine Peace Council accused Washington of violating the SALT II agreements. Therefore, the diplomatic offensive that the Soviet launched a few days ago in Argentina has all the characteristics of a coordinated operation in Latin America that was equally well-planned by Moscow and Buenos Aires.

What is the ultimate objective of this operation? The similar points of view that the Argentine Government shares with the Soviet regime over the Central America issue and over the "star wars" program are well-known by all, since they were expressed by President Alfonsin himself. Therefore, they need no more explanation.

But behind this joint undertaking there is probably a third objective which is perhaps the most important of all which has driven the Soviets to organize this press conference in Buenos Aires and that perhaps has even driven Government House to accept it: the fear that the recent Chernobyl accident will result in the establishment of stricter international controls over the peaceful use of nuclear energy since these controls will not only affect the USSR but also the Alfonsin Government's nuclear plans (which are supported by the majority of the military chiefs).

These new controls would be inconvenient for the USSR because, in addition to complicating its geostrategic and political position, even in the military field, they would impair one of its carefully-drafted projects regarding Latin America, and that is the installation of nuclear plants in Cuba and the export of Soviet nuclear technology, and even of "turn-key projects," nuclear plants or the export of other elements needed for the operation of nuclear plants to other Latin American countries. This in turn would help these countries to allegedly achieve their "own" technology. Such was the case of the enriched uranium which the Soviets delivered to the Argentine military regime in 1980, and which 4 years later gave rise to the prospect of an Argentine "bomb". But the objective of all this is to create a nuclear destabilization in Peru, Colombia or Central America. These controls would also be inconvenient to the Alfonsin government because they would block even further its position against the Tlatelolco treaty. They would block the government position particularly regarding "sister" nations, and the export of its "own" nuclear technology to Latin America and Africa (nuclear "dissemination" according to the United States and the Europeans).

If we take into account these common interests that are possibly linking the Alfonsin government and "extremists" within the Agrentine military with the Soviet Union, at least in the nuclear field, there should be no surprise over the lack of information -- sporadic information and analysis -- over certain technical faults, high in political content, over the Chernobyl tragedy. The objective of this silence was to improve the Soviet Government's political image, and, simultaneously, to decrease to a minimum the just fears of the Argentine public opinion about the threat of nucear contamination. These were the charges that the Soviets made a few days ago. They did not only try to improve the Soviet "image" (at the expense of the Western society of the "north" with a story that has not been proven until now), but they also suggested that the control system of the Western hemisphere is of little use for the Third World. They thus provided an ethical and political justification for the Argentine and Soviet decision of opposing any kind of control.

We repeat: No one is more interested than the USSR in diverting the attention of Latin American countries from its nuclear failures. In view of this interest, we can clearly understand the newly-created diplomatic step to which the Soviet Embassy in Buenos Aires resorted on 24 June. But we must not forget that in so doing it can also bring up the Malvinas conflict, and with this wedge increase -- with their eyes set on Nicaragua and Central America -- the distancing between Argentina and the United States (and that of other Latin American countries as well). Thus, they wil consolidate their penetration in Argentina, which at all levels is today deeper than that of any other foreign power that has operated in Argentina over the past 50 years.

Although it is perhaps in keeping with true national interests, it is regrettable that the Alfonsin administration is, either consciously or not, helping to promote this policy which is designed to undermine Argentine-U.S. relations, which in the end places us formally in the scenario of the East-West struggle, a scenario in which President Alfonsin himself says tht no Latn America country should be involved.

If to this paradox we add the present clash between Government House, the Catholic Church, and the Vatican, the overall situation of our foreign relations is truly discouraging.

STATE AIRLINE PILOTS START INDEFINITE STRIKE

PY011509 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1133 GMT 1 Jul 86

[Excerpts] Buenos Aires, 1 Jul (NA) -- Aerolineas Argentinas domestic, regional, and international flights were completely stopped at midnight today due to an indefinite strike of Aerolineas Argentinas pilots who are demanding better salaries. This measure has been taken despit the fact that the Labor Ministry has threatened, among other things, to declare the strike illegal.

Aerolineas Argentinas President Horacio Domingorena this morning warned that since the Labor Ministry declares the pilots strike illegal, the company will study the possibility of firing some of the pilots who are on strike. Domingorena also said that there is no possibility that Mario Massolo, the secretary general of the Airlines Pilots Association (APLA), will be arrested.

Government Declares Strike Illegal

PY020153 Buenos Aires DYN in Spanish 2041 GMT 1 Jul 86

[Text] Buenos Aires, 1 Jul (DYN) -- Labor Minister Hugo Barrionuevo has reported that the national government has declared illegal the indefinite strike by the Aerolineas Argentinas pilots, and admitted the possibility that the state company may dismiss the strikers. The minister did not rule out the same possibility regarding the 72-hour strike that has been called by teachers beginning tomorrow in demand for better salaries. In declaring the pilots' strike illegal, the labor minister noted that "this means that Aerolinas Argentinas can immediately order the dismissal of personnel."

Barrionuevo explained that the Airlines Pilots Association (APLA) has been notified and has the right to ask for reconsideration by the authorities who adopted the measure, to appeal to higher ranking authorities, or to take the case to court." [quotation marks as received]

However, Minister Barrionuevo said, "We have taken all the steps necessary to comply with the administrative procedure, not only to declare the strike illegal, but also to ensure the observance of the measures adopted as a result." Barrionuevo did not discard the possibility that the teachers' strike could also be declared illegal, and said that within the next few hours, the Education Ministry will probably send to the labor ministry "the necessary information so we can contact the CTERA [Confederation of Education Workers of the Argentine Republic]."

CGT NOT TO RETURN TO TALKS WITH GOVERNMENT

PY020116 Buenos Aires BUENOS AIRES HERALD in English 1 July 86 p 9

[Excerpt] (NA-DYN) -- Tension between the government and labour grew yesterday as the General Confederation of Labour (CGT) announced it would not return to the socio-economic conference talks and would speed up plans for a 12-hour general strike sometime this month. A spokesman for Labour Minister Hugo Barrionuevo immediately retorted that Barrionuevo would not meet with CGT secretary-general Saul Ubaldini because the labour minister "has already said everything he has to say."

Meanwhile, a high government source denied rumors of differences between Barrionuevo and Economy Minister Juan Sourrouille over how to handle the labour situation, saying the two are "working together." The source said the CGT's wage demands are too high for employers to pay, forcing factory-owners to ask the government to allow price increases, "which obliges the Economy Ministry to intervene."

The CGT executive council agreed not to return to the conference talks with employers and government, one labour source saying the CGT would not go back to the negotiating table because of the government's "ratification of the Austral plan and budget constraints." The source said the CGT would stay away from talks now in order not to have to "slam the door" when it leaves the talks later.

Ubaldini said after the meeting that some top CGT officials had kept in contact with Labour Ministry officials but that the talks "have not been positive." He added that if the government does not make a "structural change in (its) socio-economic policies," the CGT would go forward with the strike and dramatize it with a downtown rally. Ubaldini said the CGT will hold a plenary of local secretaries-general from around the country on Thursday or Friday to decide on a date for the stoppage.

A Labour Ministry spokesman, meanwhile, said the government has no wage proposal to send to the CGT and denied rumours that Barrionuevo may resign.

ARMY LEADERSHIP VIEWS PROMOTIONS, STATE OF LAW

PY301535 Buenos Aires TELAM in Spanish 2259 GMT 27 Jun 86

[Text] Buenos Aires, 27 Jun (TELAM) -- Army Chief of Staff General Hector Rios Erenu today urged the Army leadership to continue working to reaffirm the state of law and to continue giving the necessary support to the community within the framework of the Army's traditions. Rios Erenu made this statement while closing a meeting of generals which had been scheduled on the military agenda. The meeting started yesterday at the Libertador building, the Army's headquarters. Defense Minister Jose Horacio Jaunarena also participated in part of the meeting.

At the meeting Rios Erenu heard reports from the Army Corps commanders and from the Army imspector general, General Nado Dasso. Later, Rios Erenu urged the Army leadership to make efforts to maintain the observance of the operational capabilities under the current situation. Rios Erenu also urged the generals to continue seeking their final integration to the constitutional order, convincing all ranks of the need to reaffirm the state of law.

Rios Erenu mentioned the need to conduct activities that are planned to effectively use personnel and funds in order to further reorganization task. He stressed the requirement of achieving an effective rationalization of the Army budget.

After this meeting the Promotion Board, chaired by Army Deputy Chief of Staff General Mario Sanchez, met to discuss reassignments, promotions, and retirements within the Army's upper echelons.

During a working luncheon, the Army chief of staff and the Army leadership reportedly continued discussing a decision by the Buenos Aires Federal Apellate Court to rule on some 300 cases that are pending with the Armed Forces Supreme Council. Another subject reportedly discussed was linked to the statement recently made by Leon Arslanian, a member of the Federal Appellate Court, who said that civilian courts will continue ruling on cases involving human rights violations committed during the past military regime regardless of their possible political repercussions.

It has been learned that this matter will be reviewed again by the Army chief of staff and Defense Ministry officials despite the fact that Army sources have reiterated that court rulings will be respected.

Afterward, Gen Sanchez held a meeting on the fifth floor with the generals who make up the Promotions Board to discuss reassignments, promotions, and retirements of Army leaders, as is customary at this time in the annual military agenda.

BILL PROPOSED TO CLOSE URANIUM COMPLEX

PY011845 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1225 GMT 1 Jul 86

[Text] Buenos Aires, 1 Jul (NA) -- Deputy Juan Manuel de la Sota of the Peronist Renewal Faction has introduced to the Chamber of Deputies a bill seeking the preventive closing of the Los Gigantes Uranium Processing Plant [complejo uranifero] in Cordoba Province, claiming that it is polluting the area.

The Cordoba lawmaker has asked the National Commission for Atomic Energy (CNEA) to close the plant until "the necessary measures are taken to prevent it from continuing with impunity to pollute the Cajon Cambucha and San Antonio Rivers, and the San Roque Lake."

Based on the alleged evidence of the pollution of the rivers, the Cordoba lawmaker asks CNEA to provide, with the urgency required by the case, the means to prevent the ecological damage reportedly being caused.

De la Sota also demands that the concessionary enterprise exploiting the complex be asked to build a special and adequate reservoir to hold the liquids after eliminating all traces of uranium, and to store the solid material, thus preventing its dispersion from harming the environment.

SEVENTH AUSTRAL DEVALUATION ANNOUNCED 30 JUNE

PY020050 Buenos Aires BUENOS AIRES HERALD in English 1 July 86 p 3

[Text] (NA-DYN) -- The Central Bank yesterday ordered a mini-devaluation of the austral, bringing the value of the United States dollar up to 89 Argentine cents. This marked the seventh such variation in the exchange rate this year and the third this month for a total 11.24 percent devaluation in the life of the austral. The austral's value remained unchanged between June 15, 1985, and April 7, 1986.

The devaluation had no effect on the black-market dollar, which was quoted at 88.5 cents (buy) and 89 cents (sell). The tourist dollar remained on 90 cents as it has for the last fortnight. Call money ranged between 62 and 65 percent while money was available on the inter-company market for 50-55 percent on the basis of Bonex and 55-60 percent on the basis of cheques.

DEFENSE MINISTER REASSERTS ARMED FORCES' LOYALTY

PY011609 Paris AFP in Spanish 1349 GMT 1 Jul 86

[Text] La Paz, 1 Jul (AFP) -- Defense Minister Luis Fernando Valle has denied any possibility that a coup d'etat might take place and refuted rumors which have said the Armed Forces are plotting against the government.

Valle said today that the Armed Forces are loyal to the Constitution and that they will defend the democratic process that the country is experiencing. He added that at present the constitutional process enjoys support at the domestic and international level and that it can therefore be strengthened.

Valle said that the government of President Victor Paz Estenssoro is based on, and oriented by, the Constitution and that to plot against it would be a flagrant violation of the Constitution.

It was noted that Interior Minister Fernando Barthelemy last week reported the existence of subversive movements that are being promoted by left-out military officials, drug traffickers, and extremist groups, while the Bolivian Labor Confederation (COB) has charged that the government is resorting to this pretext so that it may implement a state of siege.

MINISTER SHOWS 'SUBVERSIVE' LEAFLETS TO PRESS

PY011841 La Paz La Red Panamericana in Spanish 1700 GMT 1 Jul 86

[Text] According to remarks made by Interior Minister Fernando Barthelemy, a climate of subversion prevails in Bolivia. Minister Barthelemy reported this morning that subversive documents are still circulating in the country, even in the fields. Barthelemy said that approximately $200,000 has been spent on mobilizing the peasants in La Paz over the past few days. According to the interior minister, these funds come from foreign sources and from Coraca [Peasant Agrarian Corporation].

[Begin recording] [Barthelemy] Subversion exists. The documents prove it. I am going to give you photocopies of a document which we have, and which has been distributed in the fields. This is the document. I am going to make photocopies and distribute them among all of you, and you will have to evaluate it. The people will have to evaluate whether this document is or is not subversive.

[Unidentified reporter] Do you know the possible authors of this document?

[Barthelemy] At this moment we have not identified them. [end recording]

GOVERNMENT SOUNDING OUT LEFTISTS IN CONGRESS

PY011510 La Paz La Red Panamericana in Spanish 1130 GMT 1 Jul 86

[Excerpt] Gaston Encinas Valverde, president of the Chamber of Deputies, has stated that the MNR [Nationalist Revolutionary Movement] has made a proposal to Paz Zamora's MIR [Movement of the Revolutionary Left] to begin negotiations to form a joint board in the Chamber of Deputies, in accordance with the norms established in the previous legislature.

Encinas reported that he had been visited by Javier Campero Paz [MNR-Tarija, first vice president of the Chamber of Deputies] and Alvaro Perez del Castillo [MNR-La Paz, first secretary of the Chamber of Deputies], who expressed the idea proposed by the MNR Political Committee.

[Begin recording] [Encinas] We held the first meeting with MNR representatives, namely Deputies Campero Paz and Alvaro Perez del Castillo. They reported on a resolution adopted by the MNR over the past weekend regarding the organization of congressional boards, and on the authorization given by their party to negotiate with all political forces represented in the Chamber of Deputies.

[Unidentified reporter] Nationalist Democratic Action [ADN] has announced the decision that [words indistinct].

[Encinas] Well, I think any political party can aspire to the presidency in the Chamber of Deputies. However, this depends on the negotiations among the parties represented in Congress.

[Reporter] Has there been any progress in the negotiations with the MIR?

[Encinas] Well, the first idea is to expand previous agreements, that is, to extend the agreement between the MNR and the MIR to other political forces such as the Nationalist Revolutionary Movement of the Left and other parties of the left. [end recording]

Speaking on the same subject, MNR Executive Secretary Javier Campero Paz stated that there is an agreement between the MNR and the ADN on the organization of the congressional boards for the next legislative period. He added that since the time of the tax reform, some agreements have been reached with the ADN. He added, however, that some political sectors have changed, and that a new evaluation of the proposals mst be made to see whether the ADN will maintain its leaderships in Congress.

SPECIAL AMBASSADOR LINARES RENEGOTIATES DEBT

PY011610 Paris AFP in Spanish 1332 GMT 1 Jul 86

[Text] La Paz, 1 Jul (AFP) -- The Bolivian special ambassador to creditors Adolfo Linares today reported that the Bolivian Government has renegotiated $600,000 of its foreign debt with the creditors of the Paris Club. Linares said the meetings in Paras were attended by Finance and Planning Ministers Juan Cariaga and Gonzalo Sanchez de Lozada, as well as representatives of the bilateral creditor countries: Brazil, Japan, Germany, Venezuela, and Austria.

The special ambassador, who was planning minister in 1981, said the renegotiation conducted in Paris will alleviate the country's balance of payments, which means that until June 1987 no payments will be made, so we will be under no pressure.

Linares added that the creditor countries have understood the Bolivian situation and decided to grant it a financial respite for recovery, which means more credits through the opening of sources of financing.

In conclusion he said that a new schedule for meetings with the creditors has been established, and that in October there will be a meeting with the World Bank executives to analyze projects that might help Bolivia.

DEL VALLE ON U.S. TERRITORIAL OBSERVATIONS

PY020231 Santiago Domestic Service in Spanish 2300 GMT 1 Jul 86

[Text] Foreign Minister Jaime del Valle has said that the United States has made some technical observations regarding the Chilean declaration of sovereignty over a 350-mile area surrounding Easter Island and Sala y Gomez Island. However, the U.S. Embassy in Santiago has issued a statement explaining that the U.S. Government does not recognize Chilean sovereignty over the 350-mile area. On 30 June, Del Valle said that the observations put forward by the United States will be answered in due time.

[Begin Del Valle recording] It is not actually a demand. The U.S. presentation makes some technical observations. We will analyze it and, if applicable, we will answer it at the right time. However, we are very calm, because we recall that the Chilean declaration on the 200-mile territorial waters awakened international criticism many years ago. This was followed by a virtual consensus in favor of the position of Chile and other South American countries. We believe the step we have now taken is also very important. [end recording]

It should be recalled that on 12 September 1985, the Chilean Government declared that it extended its sovereignty over a 350-mile area around Sala y Gomez Island and Easter Island. Yet today a U.S. Embassy spokesman said that based on international law, the United States does not recognize Chilean sovereignty over the 350-mile area.

[Begin unidentified U.S. Embassy spokesman recording, in progress] ... the U.S. position is based on principles of international law, dealing with the demarcation of the continental platform. The U.S. Government considers that such conditions do not apply in the cases of Easter Island and Sala y Gomez Island. For this reason, the United States does not recognize the Chilean declaration of sovereignty over this area. [end recording]

The U.S. spokesman added that Article 76 of the Law of the Sea Convention states that any country with a sea coast can extend its sovereignty beyond the 200-mile area under special circumstances, adding that such special circumstances do not apply in the cases of Easter Island and Sala y Gomez Island.

For his part, Carlos Bustos, director of the Foreign Ministry Special Affairs Department, also commented on the scope of the declaration of Chilean sovereignty over a 350-mile area around Easter Island and Sala y Gomez Island.

[Begin Bustos recording] I would like to clarify that, contrary to what a publication said a few days ago, there is neither a discrepancy nor protest. The issue deals with the interpretation of Article 76 of the Law of the Sea Convention of Jamaica in 1982. As you know, we based the declaration we issued in September 1985 on paragraph 6 of Article 76, which refers to underwater ridges. There are countries that believe that a different procedure should be used because the subject calls for very complex studies of the sea bottom, bathymetric measurements, and so forth. However, I believe this is a strictly technical issue to which no other significance is to be attached. Our specialists are carefully analyzing it. [end recording]

Bustos concluded by saying that the United States has only made technical observations on the declaration that Chile issued in September 1985.

DEL VALLE SAYS NO CORRIDOR FOR BOLIVIA

PY010315 Santiago Radio Chilena in Spanish 2300 GMT 30 Jun 86

[Text] Chilean Foreign Minister Jaime del Valle categorically denied three assertions made by an article published in the last issue of magazine APSI which said: First, that there was an agreement with Peru to grant it an enclave in Arica surrounded by Peruvian troops; second, that on this same Peruvian enclave, a corridor to the sea would be granted to Bolivia; and third, that during Del Valle's last visit with the pope, papal mediation in this case was requested.

Minister del Valle emphatically denied all three assertions. He assured that the talks held with Peru were restricted to complying with the 1929 Treaty, particularly with the term that envisages the Chilean construction of facilities for Peruvian use in Arica. Del Valle denied having discussed with Peru the granting of a corridor to the sea for Bolivia.

Regarding the pope's mediation in these negotiations, Del Valle said neither his nor any one else's intervention has been requested or even considered.

Regarding the government's recently created human rights commission, Del Valle expressed satisfaction at the U.S. State Department's declarations qualifying the Chilean Government's decision as positive. This is an acknowledgement of an internal decision by the Chilean Government which coincides with some of the requests made by UN observer Volio during his visit to Chile, Del Valle said. However, Minister Del Valle affirmed that Chile is on its way to transition in keeping with its own needs and calendar.

SOCIALIST FACTIONS CONDEMN REAGAN'S C.A. POLICY

PY011803 Madrid EFE in Spanish 0328 GMT 1 Jul 86

[Text] Santiago, 30 Jun (EFE) -- Two Chilean socialist factions that have been separated for 2 years have taken a step toward a reunion by signing a joint statement against U.S. President Ronald Reagan's Central American policy. The factions are the socialists headed by Manuel Mandujano, and those led by Ricardo Nunez, who recently succeeded Salvador Allende's last interior minister Carlos Briones as secretary general. The two factions separated in May 1984. Until then they formed a single group which, in turn, had split away in 1979 from another group of a Leninist leaning headed by Clodomiro Almeyda.

In the joint statement published today, the leaders of the two socialist factions state that while the great majority of nations throughout the world have expressed their support for a peaceful and negotiated solution to the Central American conflict, the Reagan administration has waged an undeclared war against Nicaragua.

Mandujano and Nunez add that while the affected countries themselves are trying to achieve a peaceful solution in Central America, the Reagan administration continues supporting the contras and has granted them not only the city of Miami to get together, but also training, weapons, and dollars to keep up the war that has taken the lives of thousands of people.

The two Chilean socialist factions, committed to reuniting, state that in addition to such actions U.S. military maneuvers have been held on the Nicaraguan border and U.S. military bases have been established in the region.

The statement adds that these events "prove that the current U.S. Government has no interest in reaching a peaceful solution to the conflict, and much less in respecting basic principles, such as that of nonintervention and the self-determination of nations."

The statement concludes by saying that "for this reason the Chilean Socialist Party once again categorically condemns Reagan's military intervention and calls for a negotiated solution, in line with recent Contadora proposals, to the crisis in the area."

REPORTAGE ON EVENTS SURROUNDING NATIONAL STOPPAGE

Bomb Blasts, Fires

PY011511 Paris AFP in Spanish 0356 GMT 1 Jul 86

[Text] Santiago, 30 Jun (AFP) -- There were four attacks with explosives and incendiary bombs tonight in several sectors of Santiago, 24 hours before the national stoppage called by the opposition to General Augusto Pinochet's government.

Police sources have reported that a person who was waiting for a bus was slightly injured when a bomb went off at the Sudamericano bank branch, and that almost simultaneously another bomb went off at the Bank of Credit branch causing damage to the facade and windows of the building. The police added that a group of subversives, who managed to escape, totally burned a bus in a heavily populated area. The police added that no one was injured in this incident.

There were also two powerful explosions which destroyed two pylons in the Bernardo O'Higgins Avenue. As a result of this attack, a vast area of the Santiago southern sector was left without electricity.

No organization has claimed responsibility for the attacks, although the clandestine leftist Manuel Rodriguez Patriotic Front, which promotes the armed struggle against the military regime, has claimed responsibility for similar previous attacks.

PCCH Calls for 'Violent Actions'

PY020345 Buenos Aires Domestic Service in Spanish 0200 GMT 2 Jul 86

[Relay from Santiago by an unidentified reporter of Radio Agricultura]

[Text] The Communist Party of Chile [PCCH] issued a mobilization order this afternoon calling for violent actions during the 2-day stoppage called by the National Civic Assembly [ANC]. In a military type order, the PCCH includes instructions for cells of the Manuel Rodriguez Patriotic Front. Security sources have described the documents as authentic.

The PCCH document emphasizes that there should not be a single moment of rest during the stoppage in order to promote the struggle as much as possible. The document also includes a self-defense plan, which recommends that roadblocks and barricades be erected. To this end, the PCCH recommends that sandbags, debris, posts, vehicles, fire, etc. be used. The PCCH document is full of such recommendations, that is, precisely the type of actions the ANC leaders have asked not be taken and for which the ANC will not assume responsibility.

Valparaiso Communique on Stoppage

PY020027 Santiago Domestic Service in Spanish 1700 GMT 1 Jul 86

[Text] The chief of the Valparaiso, Easter Island emergency zone has released a communique, alerting the citizenry. This is the first contact we are holding today with the country's 5th region. Here is an RSN [expansion unknown] report from Valparaiso.

[Begin relay by unidentified reporter] The office of the chief of the emergency zone of Valparaiso province and Easter Island has announced that in view of the national stoppage called for tomorrow and the following day by minority groups, all the necessary measures have been taken to maintain public tranquillity and the normal development of social and economic activities.

The official communique states that the goal of the sponsors of the movement (?follows) political instructions issued and guided from abroad with the goal of attempting to destabilize the legitimately-established government. In conclusion, the communique states that the citizenry must not feel intimidated by small groups of promoters of violence who seek to disrupt public order and wish, by using the threats, to halt the normal and peaceful course of the people's activities.

This was a report from Valparaiso. [end relay]

Students, Army Clash

PY020214 Paris AFP in Spanish 2212 GMT 1 Jul 86

[Text] Santiago, 1 Jul (AFP) -- Army troops were deployed in Santiago today and arrested at least 30 demonstrating university students, on the eve of the nationwide strike organized by labor unions and other organizations that want the reinstatement of democracy, according to witnesses of the incidents.

The military deployment took place after two women and a man, alleged members of the Manuel Rodriguez Patriotic Front (FPMR), which advocates popular uprising against General Augusto Pinochet's government, died from gunshots. A semi-official report indicated that the three persons committed suicide, but the FPMR denied that they belonged to the organization and added that the individuals were brutally killed.

Heavily armed and with their faces painted black, soldiers raided the School of Medicine of the University of Chile in northern Santiago this afternoon. At the School of Medicine the soldiers harassed and arrested students who were then concluding a protest demonstration. This was the first military action on the eve of the 48-hour strike which will begin tomorrow at the call of the organizations that make up the National Civic Assembly [ANC].

The medical students were demonstrating their support for more than 100 students arrested on 30 June when the Carabineros evicted them from the headquarters of the University of Chile. Carabineros also participated in today's military action by using powerful jets of water and hurling tear gas grenades into the School of Medicine. The soldiers made the students lie face down on the ground with their hands behind their heads before forcefully taking them away, Dr Pablo Caviedes, who witnessed the operation, reported. Tomas Jocelyn Holtz, president of the Catholic University Students Federation (FEUC), stated that it is time to stop playing war games with the country.

As the afternoon wore on, disorders broke out around the University of Santiago in the western part of the capital, where dozens of demonstrators began to erect barricades and shout anti-government slogans.

The ANC reported that the 2-day strike that will begin on 2 July will be obeyed by the students, the National Workers Command [CNT], professional associations, merchants, truck owners and other organizations that paralyzed the country 13 years ago to hasten the downfall of Salvador Allende's leftist regime and the advent of the military regime. We have received information to the effect that Santiago will be occupied by the military, ANC President Juan Luis Gonzalez said in a press conference. He reiterated that the union leaders want no more deaths on the streets and that the protest will be peaceful.

At the government level, Labor Minister Alfonso Marquez de la Plata accused the opponents of creating an atmosphere of fear designed to disrupt national activities and the authorities have guaranteed that every measure will be taken to preserve order.

In Valparaiso, 140 km west of Santiago, the commander of the emergency zone called upon all the citizenry not to listen to those who want to disrupt the stability of the regime.

The military intendant of Concepcion, 525 km south of Santiago, reported a concrete plan to disrupt order prepared by classroom terrorists.

Msgr Santiago Tapia, head of the Vicariate of Solidarity, called for the calming of the spirits and warned that violence cannot be answered with more violence. However, the Vicariate of Solidarity also advocated the right to disagree because the voice of the people must be heard.

HUMAN RIGHTS COMMISSION SEEN AS PART OF TRANSITION

PY271332 Santiago Domestic Service in Spanish 1100 GMT 27 Jun 86

[Text] Foreign Minister Jaime del Valle has stated that the creation of an advisory committee on human rights at the Interior Ministry is part of measures taken by the government to pave the way for transition.

Del Valle said the new committee will not interfere with the role of the Foreign Ministry Advisory Department on Human Rights.

Del Valle added that this new committee, which will seek to guarantee respect for human rights in the country, was created in accordance with provisions governing internal order and as part of measures taken by the government to pave the way for transition and to promote harmony and social peace.

PRESIDENT CALLS FOR UNITY TO FACE PROBLEMS

PA280220 Quito Voz de los Andes in Spanish 2300 GMT 27 Jun 86

[Text] President Leon Febres Cordero once again appealed to Ecuadorans to unite in view of the difficult and dramatic moments they are facing as a result of the drop in oil prices. He asked the Ecudorans for a political truce and to work together. He said that a few days ago he made a similar request, but so far he has not received the response the Ecuadoran people need. We are not going to harass anyone because of the lack of response, he said; We do not want to create more problems than we already have, which need to be resolved. However, he added, we want the people to realize that the country is facing one of the most difficult moments of its history, which can be resolved only with the people's full support.

He said this in Guayaquil, where he will attend the unveiling ceremony of a plaque in honor of Girolamo Ventone, an Italian from Milan, the first expolorer to set foot on Ecuadoran territory.

FEBRES CORDERO COMMENTS ON ECONOMY, STABILITY

PA012136 Quito Radio Quito in Spanish 2300 GMT 30 Jun 86

[Text] According to the statements of President Leon Febres Cordero to the U.S. newspaper THE CHRISTIAN SCIENCE MONITOR, Ecuador continues to be a Latin American economic oasis, although it might still be unstable politically. After admitting that the rebellion of Lieutenant General Frank Vargas Pazzos, former commander of the FAE [Ecuadoran Air Force], worsened the country's international image, the president accused the foreign press of being leftist and (?giving him) the image of a Reaganite conservative of the Wild West. I have to admit with some shame that the [words indistinct], but I am not responsible, and I have to survive in that system, which, although not good, will change as the democratic system matures, Febres Cordero said. Finally, the president criticized the Reagan administration for its obsession with Nicaragua, which leads it to ignore more important problems.

1 TERRORIST DIES, 5 ARRESTED IN POLICE RAID

PY301609 Paris AFP in Spanish 1538 GMT 30 Jun 86

[Text] Guayaquil, 30 Jun (AFP) -- One guerrilla died and five were arrested when police raided the hideout of a cell of the Ecuadoran subversive group "Alfaro Lives." The cell was located in the residential district of the Andean city of Cuenca, 200 km southeast of here. According to the police, the death of terrorist Ricardo Merino Jacinto, a fugutive from justice, after having escaped from prison and being responsible for various types of crime, occurred when he and his friends, including a woman, resisted when the police asked them to surrender.

The discovery of the cell followed reports by neighbors who had noticed suspicious movements in an apartment in the district of Maria Auxiliadora in Cuenca, the third largest city in Ecuador. The police seized 81 dynamite sticks, revolvers and carbines that had been stolen from the government, military uniforms, instructions on how to carry out terrorist actions, and false documents.

MINISTRY TO STUDY URUGUAYAN, U.S. PROTESTS

PY020254 Asuncion LA TARDE in Spanish 1 Jul 86 p 9

[Text] National authorities have received a protest note from the Uruguayan Foreign Ministry regarding the way in which Uruguayan congressmen accompanying Dr Domingo Laino were treated. Foreign Minister Augusto Saldivar said yesterday: "It will be studied, and an answer will be given in time."

Replying to questions from journalists as he was leaving Government Palace, Minister Saldivar said that "during the audience I had with the head of state, I informed him about the conversation I had with the Uruguayan congressmen who had requested through their embassy a meeting."

Saldivar said that the conversation was important "to clear up what had happened, as well as to state the Paraguayan position regarding the traditional principles that rule the affairs of nations and relations among people, including the international commitments that Paraguay has assumed and with which it complies."

The foreign minister added: "The Uruguayan deputies did not make any proposal, because questions of foreign relations are outside congressional jurisdiction."

Saldivar also said: "In a verbal note, the U.S. Embassy commented on the events in which Mr Robert White and other U.S. citizens were involved. This is being studied, and in time, once we have all the elements to make a judgment and the report from the appropriate organs, we will give an answer to the U.S. Embassy."

Regarding former U.S. Ambassador Robert White, who accompanied Dr Laino in his frustrated attempt to return to the country, Dr Saldivar said: "We do not know in what capacity Mr White came. He came like any other U.S. citizen who happens to come to Paraguay, but the events have given his coming the special connotation that is known to the public."

UGARTE SAYS MEDIA RECEIVE CUBAN, SOVIET FUNDS

PY011508 Asuncion HOY in Spanish 1 Jul 86 p 12

[Text] In a speech at a political seminar which ended laste Sunday in Quiindy, Industry and Commerce Minister Dr Delfin Ugarte Centurion leveled serious accusations. "There is a full-fledged campaign being orchestrated to destroy peace in Paraguay, and the yellow press, dominated by communists, television stations, radio stations, and some newspapers are involved in this conspiracy. Of course, all of them are financed with dirty money coming from Russia and Cuba," he said.

The industry and commerce minister asked: "What should our reaction be?" During the rally sponsored by the Colorado Party's Enrique Solano Lopez Center, he said: "We must recognize the existence of these problems in order to cope with them. This means we must let unity prevail in our party, invigorate our discipline, and, based on all this, strengthen our efforts and actions."

Ugarte Centurion also focused on recent quarrels among Colorado leaders. "We, the Colorados, must not quarrel among ourselves. A Colorado must not offend another Colorado. It is not good for a Colorado to insult another party fellow member, especially if the latter is a party authority," he said.

Expanding on the same point, he added: "It is an inherent duty for every good Colorado, from the most humble to the most prominent, to confront the enemies of the government and the Colorado Party. Therefore, we must have solidarity and be united. Let us not delude ourselves. The adversary wants to infiltrate our ranks to confuse us because they know that the united Colorados will never be defeated."

Ugarte Centurion said: "We must bear in mind that if we are split, then the enemies of the party will have more possibilities. Thus, we must leave this seminar with a strengthened spirit."

Editor's note [in italics]: We are publishing the accusation leveled by the minister of an alleged communist infiltration within the press. However, a serious sense of responsibility makes us demand the accuser furnish names and evidence on who in the media are receiving money from Russia and Cuba.

[Signed] H.D.D. [publisher of HOY]

UGARTE: 'OFFICIAL' TRADE WITH PRC PROHIBITED

PY012350 Asuncion ULTIMA HORA in Spanish 1 Jul 86 p 12

[Excerpts] Paraguayan Industry and Commerce Minister Delfim Ugarte Centurion this morning said that "trade with Communist China will not be officially allowed." He added that, on the contrary, efforts will be made to strengthen commercial ties with Taiwan.

Minister Ugarte reported that he had met with Taiwan Ambassador to Paraguay General Sheng Wang, with whom he spoke at length about bilateral trade. The minister added that Taiwan has become one of the main purchasers of Paraguayan soybeans and that Commerce Under Secretary Luis Ramon Ortiz Ramirez has just returned from Taiwan, where he held talks aimed at exploring possibilities for increasing Paraguayan exports.

Ugarte explained that the Paraguayan Government does not intend to establish diplomatic, cultural, or commercial relations with communist countries, because "our political and ideological position remains unchanged." Asked whether this meant that no businessmen will be allowed to export to communist countries, the minister answered: "they will not be officially premitted to do so."

The minister was also asked why, since products manufactured in the PRC are readily available in Paraguay, Paraguayan products cannot be exported to that country as businessmen want. The minister answered: "We have no information about products manufactured in communist countries entering our country. If they do it must be through triangular operations."

With regard to his charges that the press is receiving funds from Havana and Moscow for an anti-Paraguayan campaign, which he made at a recent political meeting, Minister Ugarte explained that he was talking about international, not local, press.

RADIO NANDUTI'S SPONSORS CALLED 'SUBVERSIVES'

PY302359 Asuncion Domestic Service in Spanish 0030 GMT 28 Jun 86

[Unattributed commentary from the "Voz del Coloradismo" program]

[Text] Many people have also taken positions, although without exposing themselves, in this struggle which we the defenders of peace and order are waging against subversives. These are camouflaged, infiltrated people, who are worse than spies and who are playing a significant role in this struggle. They are the ones who are economically supporting those seeking to overthrow the government. They are supporters of subversion.

There are many commercial firms that are freely operating in our country. There are ostensibly harmless businessmen who engaged in their commercial activities Phoenician style, but with the difference that they do not hesitate to support criminal organizations that seek to destroy peace in the country, without realizing that an atmosphere of disorder and chaos will be most detrimental to them. Nevertheless, they are financing terrorism, they are destroying peace, and, consequently they are undermining the country's future of their children, grandchildren, and great-grandchildren.

Will these Phoenicians be fondly remembered by their descendants? Could they claim tht their ancestors had contributed to building a promising future for the fatherland? Have these businessmen stopped and thought about the problem they are bequeathing generations to come? In sum, could we promote peace with these promoters of subversion? Could we thus bequeath a better future for our descendants?

For this reason, yesterday we checked the records at the Registry of Commerce and found that the following people are financing subversion: Pascual Burro, who appears as manager of Internacional Money Exchange; Mr Humberto Irala Cataldo, of Marlene Drug Store; Esteban Cubilla Orue, of Cubilla Taylor's Shop; Gustavo Saba, of the Saba Store; Jose Antonio Robirosa, of the Robirosa Real Estate Co.; Blas N. Riquelme, one of the owners of the Munich Brewery and the son of the man who was once president of the Colorado Branch in Lambare; Tomas Cataldo and his wife Natalia de Cataldo, of Inducom Plastic Bags; Ricardo Martinez, of Readers' Digest; Dr Juan Estigarribia, of Solar Savings and Loans; and the notorious Aldo "Zuculillo" [a pejorative play on words meaning "little ass," alluding to Aldo Zuccolillo, director of the banned newpaper ABC COLOR], the ineffable and conspicuous "Zuculillo," the presidential candidate of his employee Fernando Levi. "Zuculillo," who is listed as owner of the Nueva Americana Hardware Store, is the notorious gay of Yegros Street and a hunter of ducks in the CHaco which he later sells to the La Preferida Restaurant. These are all the people who are financing the subversive radio station Radio Nanduti, which has been baptized by the people as Radio "Nandupe" [Guarani word for a type of poisonous spider].

Today we can add other names such as that of Mr Roberto furbieta Valdovinos, of the Columbia Private University; Mrs Stella Maris de Paniagua, of the San Juan Drug Store; Dr Miguel Angel Baez Gonzalez, manager of Ogarape Savings and Loans; Jorge Figueiredo Fleitas, manager of Inmobiliaria del Este Real Estate, which is also owned by the ineffable, conspicuous notorious gay of Yegros Street, Aldo Zuculillo; Mr Eladio Robert Moro, of Oficentro. Incidentally, we do not believe this man could be Moro Pascottini because no true Chaco resident has ever endorsed subversion or supported terrorists.

These are some of the 70 firms that are attempting to destroy peace. These are some of the 70 firms that are seeking to undermine tranquillity in Paraguay through an insidious subversive campaign spearheaded by Radio "Nandupe." Believe it or not, there are more firms and tomorrow, we will give more names.

CHARITAS DIRECTOR NOT ALLOWED TO ENTER COUNTRY

PY012312 Asuncion Radio Nanduti in Spanish 2220 GMT 1 Jul 86

[Text] Asuncion -- The Paraguayan police have prevented Spanish Franciscan priest, Father Javier Arancon, from returning to the country. Father Arancon, director of the Catholic radio station Radio Charitas, had been warned about the station's newscasts.

According to the superior of the Order of Friars Minor, which owns the radio station, the incident occurred yesterday as Father Arancon was returning from Buenos Aires. A police official at Puerto Falcon -- adjacent to the Argentine city of Clorinda -- withheld Father Arancon's identification documents and told him that he could not return to the country.

Radio Charitas has been attacked by the progovernment press, which charges it with following a line [passage indistinct]. Sources from the Franciscan order have said that Father Arancon is staying in Clorinda while efforts are made at the Interior Ministry to allow him to return.

In the meantime, it has been reported that radio reporter Celso Velazquez was released. He was detained last week along with several peasants on charges of usurpation of private property in Caaguazu Department, where he was reporting on a land dispute. Velazquez was turned over yesterday to the Villarrica courts. His attorney, Juan Carlos Ramirez Montalbetti, obtained his release today.

GARCIA DENIES POSSIBILITY OF COUP D'ETAT

PY011344 Lima Panamericana Television Network in Spanish 0300 GMT 1 Jul 86

[Impromptu press conference by President Alan Garcia; date and place not given -- recorded]

[Text] [Unidentified Reporter] Mr President, do you think that there is a threat to democracy and that there is a possibility of a coup d'etat? What are your views on this?

[Garcia] Well, I have not heard anything about the possibility of a coup d'etat here in Peru. I believe that these reports come from abroad. This is what we call a press rebound, of which you are well aware; this is when a report is generated by a foreign news agency; this report is then sent abroad and it comes back. This is a press rebound.

I do not think that Peru's solution ...[changes thought] I am working in a democratic manner because I believe in democracy. As you are all well-aware, I have worked so that we may achieve democracy in Peru, and although I do not want to say that I am the only one responsible for this since it is the result of the work of all Peruvians, as chief of state I worked on the Tupac Amaru plan, the main objective of which was to achieve a democracy, through a constituent assembly, and through free elections which were held throughout the country.

POLITICAL PARTIES APPEAL FOR NATIONAL UNITY

Belaunde Urges Solidarity

PY011612 Lima Panamericana Television Network in Spanish 0300 GMT 1 Jul 86

[Text] Former constitutional President Fernando Belaunde Terry has made an appeal for national solidarity, asserting that Peruvian democracy is not in danger. General Francisco Morales Bermudez (retired), who ousted General Velasco Alvarado, has also expressed his opposition to coups d'etat.

[Begin recording] [Belaunde, in progress]...solidarity in Peru. I believe these are difficult and sad times for all of us and that we must fully rebuild national unity.

[Unidentifed Reporter] What would you ask from Peruvians?

[Belaunde] Precisely that, to be united around great national issues. This is a time for thought, a time of grief.

[Reporter] What are your views about the recent statement by President Garcia, who said that those responsible will be punished?

[Belaunde] Well, I have listened to the speech that the president delivered from Government Palace. It was obviously a frank speech. I understand that we are experiencing serious times. Therefore, it is the duty of all Peruvians not to magnify the seriousness of the situation.

[Reporter] Do you believe that democracy is threatened?

[Belaunde] No, I hope it is not. From what I have heard from many people, I gather that everybody seems to agree on the need to return to normalcy, on the indispensable continuity of constitutonal order. [end recording]

APRA Supports Garcia

PY011636 Madrid EFE in Spanish 1528 GMT 1 Jul 86

[Text] Lima, 1 Jul (EFE) -- APRA [American Popular Revolutionary Alliance], the ruling social democratic party of Peru, today called on political parties, unions, the church and the press to hold a conference for peace in Peru.

In a communique published in some local newspapers, APRA expresses its support for the administration of President Alan Garcia with regard to the repression of the riots that took place on 18 June in three Peruvian prisons. APRA also supports Alan Garcia in his condemnation of the "excesses" that were committed during the repression at the prisons in Lima and Callao Port.

The communique issued by the APRA board says that there is no militarization of power in Peru, and it calls for unity to stop terrorism and to seek justice within the framework of freedom. APRA also calls on all its followers to be calm, particularly those whose homes have experienced the effects of violence and aggression. The ruling party has called "a conference of representatives of democratic parties, unions, labor groups, production and cultural sectors and the press to seek a common action aimed at achieving peace."

The communique says that is a goal that must be supported by the Catholic Church and all Christians. The APRA political commission will establish the necessary contacts so that this goal may be achieved without upholding any hegemonic pretentions; it will invite all those who are willing to help in this fraternal undertaking."

The document says that, in addition to the "responsible" opposition, there is another opposition that charges the government and Armed Forces "with being genocidal." According to APRA, this other opposition sector, which it terms psuedo-leftist, demands respect of human rights only for "criminals and terrorists," but has said nothing for example, of the seven tourists who were "vilely murdered by terrorism" recently in Cusco.

The communique of the governing Peruvian party goes on to state that that same sector seeks to return Peru to the times of struggles between civilians and military and "claims that a militarization of power is taking place in the county." APRA asserts that "we will not allow hatred between civilians and military to prevail, which is the objective sought by fascism and the extreme right. Past times have gone. The Armed Forces deserve the citizenry's respect; APRA makes an appeal for it."

The communique states that state terrorism will not be tolerated and, in referring to subversion, says that despite subversion's violent attitude, APRA and the government have made an appeal "to the Peruvian's fraternity and dialogue," but the response "continued to be that of terror." The document goes on to list the number of dead peasants, soldiers, high-ranking military officers, APRA active members, authorities of all sectors, as well as the destruction caused by subversive violence, and states that "in view of this cruel reality the government started to implement the necessary emergency measures.

The document ends by stating that, in view of the riots on 18 June staged by prison inmates who had been charged with terrorism and sought to jeopardise the Socialist International congress held in Lima, "the government acted will all the force of the law, which will not permit prisons to become free territory." The communique adds that "we must follow the Peruvian president's example firmly and strictly in order to continue being worthy of the people and so that the people may be worthy of their democracy."

Christian Democracy Expresses Support

PY011531 Lima Radioprogramas del Peru in Spanish 0045 GMT 1 Jul 86

[Text] The Christian Democratic Party [PDC] has expressed, in a communique, its complete support for President Garcia's administration regarding the riots in the Lima prisons.

This was reported by Carlos Blancas, labor minister and president of the PDC, who said that his party will be on the same ballot with the APRA in the upcoming municipal elections.

SECRET BURIALS REPORTED AFTER PRISON MASSACRES

PY012316 Madrid EFE in Spanish 1713 GMT 1 Jul 86

[Text] Lima, 1 Jul (EFE) -- The newspaper LA REPUBLICA today reports that heavily armed soldiers secretly buried the bodies of the victims of repression in three Peruvian prisons in several places in Lima Department.

The newspaper quotes residents of San Vicente de Canete and Imperial as saying that some of the bodies were buried in these two towns, adding that other bodies were buried in Mala, Chilca, San Antonio, and in other areas in Lima Department.

Imperial residents said that early on 22 June, two Army trucks brough eight coffins, which were placed in eight graves in the town's cemetery. The graves bear the names of the dead. Among them is Emilio Diaz Martinez, believed to be Antonio Diaz Martinez, the presumed "Shining Path" ideologist killed at the Lima Lurigancho prison massacre early on 19 June. Each grave has a number, Diaz Martinez's grave bears number 33.

In San Vicente de Canete, the townspeople said that on the same day 12 coffins were buried in a common grave at the cemetery. At the Huacho cemetery Lima Department, soldiers buried eight coffins on 21 June. In all cases, the bodies were buried early in the morning.

According to LA REPUBLICA, the Huacho charity organization reported that similar burials took place in Huaral, Chancay, Supe Pueblo, and Barranca, but no figures were given. The newspaper quotes organization officials as saying that "the order came from Lima."

Even though no official figure has been released on the death toll from the riots in Lurigancho prison in Lima, Fronton island prison, and Santa Barbara women's prison in El Callao, it is estimated that the number is close to 300.

BRIEFS

SEISMOLOGICAL AGREEMENT WITH JAPAN -- Jose Ignacio Lopez Soria, rector of the National Engineering University, and (Akias Tajachi) director of the Japanese Construction Institute, today signed an agreement for the foundation of a Peruvian-Japanese seismological investigation center. The document was signed at the Peruvian Foreign Ministry in the presence of Peruvian Director of International Cooperation (Guillermo Ierdau) and other seismological experts. [Excerpts] [Lima Television Peruana 0100 GMT 27 Jun 86 PY]

COSTA RICA

GOVERNMENT PROHIBITS TRANSIT OF CONTRA AID

PA020447 Panama City ACAN in Spanish 0430 GMT 2 Jun 86

[Excerpt] San Jose, 1 Jul (ACAN-EFE) -- Costa Rican Security Minister Hernan Garron Salazar stated today that the Costa Rican Government will not allow Costa Rican territory to be used to channel military aid to the anti-Sandinists. Garron reaffirmed the policy of "effective neutrality," being implemented by the current administration, in compliance with the announcement made to the effect by President Oscar Arias Sanchez on 8 May upon his assumption of power. He added: This means that if any logistical activity for the armed rebels is discovered, we will proceed to arrest those involved and confiscate equipment, arms, or military means that are being smuggled through Costa Rica.

During a news conference this afternoon, the security minister said that the government is prepared to maintain peace and tranquility in the country, even if the war in Nicaragua escalates as a result of the aid approved by the United States for the guerrillas. Meanwhile, he admitted that the U.S. approval of $100 million for the anti-Sandinists has created concern among the Costa Ricans who live in villages along the border.

BRIEFS

COLON DEVALUATION -- Central Bank directors yesterday afternoon decreed a devaluation of the colon. This is the eighth devaluation of our currency this year in relation to the dollar. The colon was devaluated by 25 centimos, therefore it will be purchased at 55 colones and 70 centimos and sold at 56 colones and 45 centimos per dollar. (Excerpt] [San Jose Radio Reloj in Spanish 1200 GMT 26 Jun 86 PA]

SALVADORAN DEBT SERVICE -- As a result of recent talks between officials of the Salvadoran and Costa Rican Central Banks, an agreement was reached whereby El Salvador will pay its $50-million debt to Costa Rica in 24 months. Costa Rica will earn $5 million in interest, which will be paid in cash. [Summary] [San Jose LA PRENSA LIBRE in Spanish 23 Jun 86 p 2 PA]

EL SALVADOR

ACEVEDO COMMENTS ON MEETING IN GUATEMALA

PA011535 San Salvador Radio Cadena YSU in Spanish 1800 GMT 30 Jun 86

[Passages within quotation marks recorded]

[Text] In a news conference held today at the Foreign Ministry, Deputy Foreign Minister Ricardo Acevedo Peralta said that the Contadora Group is directed and manipulated by Nicaragua. Regarding the 6 June proposal, Acevedo Peralta said that we cannot work with those mechanisms, because they are being directed by Nicaragua. Regarding the Central American plenipotentiaries meeting in Guatemala City last week and, more specifically, the results of the security-related aspects of the Contadora Document discussed in this meeting, Acevedo Peralta said.

"[Words indistinct] that a resolution issued by the four countries, because there is a need to reply, and we will reply to the document, to the documents presented by Contadora, which are the peace documents, the letter, and the Panama message. We decided that we will answer those documents taking three aspects into consideration, and under the following terms:

"First, at the formal level, we will reply to those documents by accepting the mediation but not the imposition, or, as we call it here at the Foreign Ministry, the tutelage of the Contadora Group on the issues which are still to be agreed on by consensus of the Central American nations.

"B. [letter as heard] Also at the formal level, we will reply to those documents by telling Contadora that we need to be sure that Nicaragua will not use, and will not continue using the Contadora efforts as propaganda and advertisement. We need to be sure that Nicaragua will in fact come to negotiate in depth what is left to be agreed on by consensus.

"Second, regarding the material aspect, we will request respect for the compliance with all the commitments we assume, without leaving anything pending for after the signing of the peace document.

"In addition, regarding the formula on armaments and maneuvers presented in the document, we will (?pretend) that that formula does not yet enjoy a Central American consensus, that it is not complete, that it does not fulfill objective No 7 of the document, and that it does not fulfill the most basic security requirements.

"Also materially, we will pretend that the control and compliance statute is not approved politically, that the security statute is not approved either, and that they have to be approved by consensus prior to the signing. That is how we will reply to those documents.

"In the operational aspect, which is the third part of the reply, we will tell them that we need schedules and programs of action for the control and compliance commissions. It is important to determine the effective date of the ratification of the peace document and the immediate or other actions and conditions which must be defined before the signing of the document. This is how we will answer.

"Therefore, there was an agreement during the meeting. Some paper had speculated that the meeting had ended without producing any agreement. I believe, however, that these agreements suffice and they show that there was a unity of opinion and strategy on the part of the four Central American truly pluralist democracies."

The republic's deputy foreign minister also said that on 8 July the document issued by the four Central American countries -- Nicaragua is excluded -- will be sent to the Contadora country members, so they will be aware of the agreements on security proposed by the four Central American nations. In addition, Acevedo Peralta said that the border commissions are already working on the demarcation of Zone No 7, which goes from (El Paso de los Amates) to the (Paso de Unibe). In this regard, the Salvadoran deputy foreign minister said:

"The meeting of plenipotentiaries had two objectives. The first was to install and officially announce the demarcation commisson, whose mission is to continue demarcating the zones delimited by the peace treaty and which have yet to be demarcated specifically, this is Zone No 7 which goes from (Los Amates) to (Paso de Unibe).

"You must remember that before the 10 December deadline expired, the demarcation commission was linked to the Joint Border Commission. Since the Joint Border Commission disappeared, we had to form a new special ad hoc demarcation commission. During the visit to Honduras, steps were taken to install and regulate the work of that commission.

"The Salvadoran members of the demarcation commission are the following: They are headed by myself. The other members are: Dr Abel Salazar Rodezno, Jose Fonseca Franco, and Lieutenant Colonel Roberto Staben Santos. The advisers are: David Escobar Galindo, Lieutenant Colonel Dionisio Ismael Machuca, and Santiago Elias.

"It was decided that the commission will hold meetings once a month to discuss the progress achieved in this field. The first working meeting will be held in San Salvador on 21 July."

The deputy foreign minister also said that he will travel to Tegucigalpa today to attend a meeting of the tripartite commission comprised of the UN High Commissioner for Refugees, UNHCR, the Honduran Government, and the Salvadoran Government to discuss the problem of the refugees and mainly the voluntary repatriation. The deputy foreign minister also announced that on 14 and 15 July the vice presidents of Central America as well as three members of the national congresses and several members of political parties will meet in Guatemala to discuss the creation of the Central American parliament. He said that they will establish regulations for simultaneous elections that will be held in the last quarter of 1987 to elect the representatives of each country to the Central American parliament.

DUARTE SEEKS 'ADVANCE' TALKS WITH REBELS

PA012214 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Jul 86

[Report by Roxana Lemus]

[Text] President Jose Napoleon Duarte has reported that he met with Bishops Rivera y Damas and Rosas Chavez over the weekend to discuss his position on the third meeting with the guerrillas. He proposed the holding of several advance private meetings prior to the public talks. The president discussed the document presented by the guerrillas, in which, Duarte said, they do not recognize the country's institutional structure.

[Begin Duarte recording] Their position is -- I presume you have read about it over the past several days -- that they will neither lay down their weapons nor recognize democracy, the government, elections, or the legitimacy of the Duarte presidency. In other words, they do not recognize the country's institutional structure. This is a problem which, unresolved, will make impossible the attainment of a solution. I believe the Salvadoran people are aware that I cannot simply say: Sure, go ahead; take the Army, take the government, take the people. Go ahead, take it all. That is impossible. I cannot do that. I cannot accept that. It would be a breach of the Constitution. That would be the end of the dialogue.

The strategy of the left is to attempt to set forth a proposal-ultimatum. This is what they are proposing to the people, telling them: Either you surrender or we will continue killing people. That is the kind of position they are defending. In the face of that, I have proposed that we try to reach a consensus between all sectors of Salvadoran society to help these rebel sectors understand that the people want peace. [end recording]

Venceremos Replies

PA020219 (Clandestine) Radio Venceremos in Spanish to El Salvador 0048 GMT 2 Jul 86

["The Dialogue Situation"]

[Tezt] Napoleon Duarte and Msgr Rivera y Damas, in his capacity as middleman, have made theatrical appearances before all the media to present the proposal for the third dialogue meeting. Let us examine the true situation of the dialogue in El Salvador. As set forth by Duarte and Rivera y Damas, the third meeting would be nothing but another propaganda ploy, a farce, designed to improve the deteriorated image of Napoleon Duarte, when all his policies are indicative of an intensification of the dirty war and repression against the masses.

Duarte's farce has been exposed again. One month after he loftily announced the third dialogue meeting at the Legislative Assembly, he is now saying that the meeting will not take place because the FMLN refuses to lay down its weapons, does not recognize his presidency, and rejects the Constitution. Is Duarte not aware of the FMLN's position? The FMLN has not changed its policies or posture. Duarte is perfectly aware that we will never lay down our weapons. He is perfectly aware that we do not recognize his antipopular Constitution. He knows that we did not endorse the electoral farce by which the U.S. CIA made him president through fraud. We have never shifted our position on these issues, and Duarte was perfectly aware of this before we announced the third meeting. Why is he now making such arguments? Our response was clear and unhesitant: that the meeting take place on 30 July in San Salvador, with the participation of popular organizations and sectors.

Meanwhile, the middleman, who has been asked to make efforts and work for the holding of the dialogue meetings, Msgr Rivera y Damas, has endorsed the government's proposal for private meetings. Was Rivera y Damas unfamiliar with our position on the holding of private talks before Duarte announced the third meeting? Why has he withdrawn support for the proposasl made by one of the parties? To top it all off, after making all those statements on the sacrifices and efforts he makes and his dedication to the cause of peace and the conclusion of dialogue, the monsignor has left the country, gone on a trip. Where does this leave the dialogue?

This is the situation of the third meeting. The middleman has gone on a trip, while Duarte has begun to say that there will be no meeting. Then, what were Duarte's intentions when he announced the third meeting with such fanfare? Why announce it if he was planning to continue to do what he has been doing for so many months: talking about the dialogue while obstructing it; talking about dialogue but only using it for political purposes, at a time when Duarte's image is deteriorated. Duarte is ordering [word indistinct], arrests, and repression of the people's movement. Duarte need not have gone to the Legislative Assembly to propose this demagogic farce.

This is the dialogue situation. The middleman announced the government's proposal and then left on a trip. Duarte does nothing but speak and appear on the television without discussing anything specific. Meanwhile, the FMLN continues to say yes to the dialogue. It proposed the date, 30 July, and the place where it should take place, San Salvador. The situation is exactly the same as 1 month ago. There is nothing on the dialogue. No progress has been made. The Duarte administration has done nothing but announce it and create false, propagandistic expectations that a third meeting might take place. However, it makes no concrete progress [words indistinct].

The FMLN reaffirmed its desire to participate in the dialogue. We say 30 July in San Salvador, in the presence of popular organizations and sectors. We also reaffirmed that we do not recognize a president imposed by U.S. imperialism; we do not recognize a Constitution that protects the powerful, the murderers, while jailing and [word indistinct] workers. We reaffirm that we do not recognize the unjust system that makes all of our people victims of hunger, poverty, and genocide. We reaffirm that we will never lay down our weapons, because they guarantee the changes society demands. They are the guarantors of the people's achievements.

GUATEMALA

CEREZO DENIES MEETINGS PLANNED WITH REBELS

PA020320 Paris AFP in Spanish 0100 GMT 2 Jul 86

[Text] Guatemala City, 1 Jul (AFP) -- President Vinicio Cerezo has denied that he has plans to hold an official meeting with guerrilla groups during his 2-day visit to Mexico, which starts tomorrow. In his statements to the newsmen, Cerezo said: "I have never said I will have contacts with these groups." "However, recently Cerezo's foreign minister, Mario Quinonez, told the press: "As president of all Guatemalans, Cerezo will also start contacts with the guerrilla leaders" and with politicians in exile living in Mexico. Nevertheless, today Cerezo said that for the time being there is no plan to hold a dialogue with the guerrillas and said that in Guatemala, "conditions exist so that any political group that wants to work within the law and that respects the institutions can do so." In this regard, on Monday Cerezo made an appeal for the guerrillas to think.

Some of the local and foreign media had affirmed that the president would have contacts with guerrilla leaders during his official tour to Mexico, where he will discuss bilateral subjects with his counterpart Miguel de la Madrid. In statements to AFP, government sources said that "there may be" some kind of contact during Cerezo's trip to Mexico. However, it would be unofficial and informal."

Guerrilla spokesmen, living in Mexico, have doubts about a meeting with President Cerezo, and, should the meeting be held, it would not lead to a definite agreement to reach peace in Guatemala, they said. President Cerezo will depart tomorrow for Mexico, heading the largest and most important official delegation that has been abroad in the past 15 years.

HERNANDEZ ON C.A. PARLIAMENT, CONDECA PROSPECTS

PA011552 Guatemala City PRENSA LIBRE in Spanish 28 Jun 86 p 7

[Text] Defense Minister General Jaime Hernandez Mendez said yesterday that the Central American parliament could prevent a war in the region. He also admitted that "the national Army is at a disadvantage in military support aspects compared to the armed forces of other Central American countries." Gen Hernandez Mendez yesterday commented on statements by Nicaraguan Vice President Sergio Ramirez Mercado, who warned that "the $100 million in aid for the contras will worsen the crisis and might generalize the war." I do not see that problem, Gen Hernandez Mendez said, because I believe that the creation of the parliament will prevent a confrontation. The meetings held for this purpose have been successful and a date has been set for its integration.

Meanwhile, the government maintains an active and neutral policy. The Army supports President Cerezo's position. We support neutrality, and we are confident that we will obtain greater cooperation in the future because "our institution is at a considerable disadvantage in military support aspects, as the Guatemalans and the Central Americans well know," Hernandez said. The Army struggles to resolve internal problems. We are prepared to fight insurgent groups and to maintain the peace of the population. Our struggle will be inside our territory. We do not want to meddle in the internal affairs of other countries.

Gen Hernandez Mendez is currently president of Condeca, a group that, in his opinion, has been paralyzed for the past 8 years. He said that "in order to reactivate it, talks must be held with the commanders of the other armies of the region to decide whether it is advisable to reorganize it." He added that no proposals have been made to reactive that organization. He said that he was invited by President Ortgega to visit Nicaragua, but in order to make the trip he must obtain permission from President Cerezo, who directs foreign policy.

There are rebel activities in some parts of the country, especially in the mountainous Peten Department and in San Marcos Department. Gen Hernandez Mendez ruled out a resurgence of the guerrillas. What happens, he said, is that the rebels receive greater support from similar groups in neighboring countries. "Military figures show that there is no increase of rebels in the interior of the country."

The military chief reiterated that the Army is determined to consolidate the democratization process. He added: "We want that to be our permanent position." President Cerezo has confidence in the Army. He knows that we are working for the good of his government and the fatherland, Gen Hernandez Mendez said.

GAM STATES POSITION ON INVESTIGATIVE COMMISSION

PA012327 [Editorial Report] Guatemala City EL GRAFICO in Spanish, on page 31 of its 20 June edition, publishes an approximately 2,500-word "paid advertisement" entitled: "The GAM [Mutual Support Group] Position on the Investigative Commission." Under a photocopy of a letter from President Vinicio Cerezo to the GAM, dated 29 April, the organization issues a statement to the effect that on two public occasions, and in the enclosed letter, the president promised to establish an investigative commission but is now moving slowly in this regard.

The GAM then states its position on the investigative commission in eight points, stressing mainly that although it has presented writs of habeas corpus for 1,367 cases of missing persons, it does not believe that these legal proceedings obviate the need for an investigative commission; that its members will not go to the Supreme Court or to "secret" places to testify, because to do so would be "to sign their own death sentences;" that the GAM members are anxiously awaiting a ruling in the habeas corpus cases; and that the investigative commission must be formed, despite the fact that a minority group will be "affected" by it.

After asking what has become of Cerezo's verbal and written promises, the GAM turns to the matter of Decree Law 8-86 on political amnesty for the Army. It calls for the decree to be declared totally unconstitutional, charging that the Army has granted itself amnesty as if it were a state.

Finally, the GAM statement dismisses a newspaper article that made "slanderous" remarks about GAM President Nineth Montenegro.

Army Rejects GAM Statement

PA012326 Guatemala City EL GRAFICO in Spanish 26 Jun 86 p 44

[Excerpt] The Information Office of the Guatemalan Army, for the purpose of assuring that no group will manipulate objective facts of the nation's history, is hereby responding to the paid advertisement of the so-called Mutual Support Group, GAM, published on page 31 of the 20 June edition of EL GRAFICO.

1. The amnesty decree includes terms calling for national reconciliation. It is strange that a group such as GAM -- which calls for humanism -- may call for a rupture of such a national reconciliation.

2. GAM mistakenly believes that an investigations commission that includes foreigners could do a better job than the Supreme Court of Justice and that once writs of habeas corpus are presented to the court, the interested parties should refuse to cooperate with the court's legal requirements. This type of attitude leads only to demagoguery and makes evident there is the intention to use the court to prove that there is a lack of functionality. [sentence as published]

3. GAM, openly forgetting its humanitarian interests, has become a mistaken accuser of an institution -- the Guatemalan Army -- of a government, and of the constitutional president, without using the resources that the Constitution provides. This is why, in pleading for their dear ones, they could be used for slander, perjury, etc., because pain cannot be calmed with injustice, falsehood, anarchy, etc.

4. The Guatemalan Army is not engaged in any psychological intimidation campaign or in any other kind of campaign, as GAM has been irresponsibly charging.

5. The government has repeatedly offered assurances to GAM leader Nineth Montenegro de Garcia.

HONDURAS

AZCONA VOICES 'REGRET' AT FERCH'S DISMISSAL

PA012134 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 1 Jul 86

[Jose Emiliano Soriano Report]

[Text] Yesterday, international dispatches from Washington reported that U.S. Ambassador to Honduras John Arthur Ferch had been replaced. Specifically, it was reported that the ambassador had been replaced unexpectedly yesterday, less than 1 year after taking office. A spokesman for the U.S. Embassy in Honduras confirmed the news. News stations, such as Voz de Honduras, for example, said that the measure was linked to Ferch's failure to correctly direct the policies of the Ronald Reagan administration toward Honduras and the Central American area. We immediately talked to Honduran President Jose Azcona Hoyo, whom Ferch met with yesterday to tell him about President Reagan's decision.

Here is the interview with the Honduran president:

[Begin recording] [Azcona] Well, that is a decision of the U.S. Government. I do not know what the reasons are. All I can say is that Ambassador John Ferch is a good friend of Honduras and a good friend of this government.

[Soriano] Mr President, before the news was disclosed, Ambassador Ferch visited you. Did he talk to you about this?

[Azcona] Yes, yes, he told me that he was going to be transferred to another post. I regret this. As I told you, he is a very amiable man and a good friend of Honduras.

[Soriano] Can the Honduran people learn about other details that were discussed during the meeting?

[Azcona] I do not know anything. These are things within the purview of the U.S. Government. I cannot comment on it because I do not know why it happened. He told me that he was going to leave the embassy in Honduras and that he wanted me to know about that situation. These are [words indistinct] decisions, the transfer of officials. He is a career diplomat. I suppose he will be transferred to another post.

[Soriano] Do you think he has done a good job as Washington's representative?

[Azcona] I think so. He has been very open and respectful of the government. I cannot speak for previous governments. I can say that in my government he has been very respectful of the decisions that have been taken. I think he is a good friend of Honduras.

[Soriano] How do you feel about the preparations which the ambassador was involved in prior to your trip to meet with U.S. President Reagan?

[Azcona] He made the appropriate contacts. The initiative to have the U.S. Government officially invite me began here.

[Soriano] During a conversation with Ambassador Ferch, he told me that some positive aspects were becoming noticeable as a result of your visit to Washington. How do you feel about that?

[Azcona] Well, several agreements have been signed. I think that our government is respected by the other countries with which we have had relations and by international organizations. They view it as a serious government.

[Soriano] To conclude, any message for the Honduran people through Voz de Honduras?

[Azcona] A heartfelt and affectionate message: I am working within my possibilities, with dedication and all my strength, abiding by Honduran laws. [end recording]

ROSENTHAL DISCUSSES NICARAGUAN RELATIONS

PA020307 Panama City ACAN in Spanish 2046 GMT 1 Jul 86

[By Armando Cerrato]

[Excerpt] Tegucigalpa, 1 Jul (ACAN-EFE) -- Today Jaime Rosenthal, presidential delegate, said that the United States does not need Honduran territory as a base for an invasion of Nicaragua. Rosenthal said: "The United States is so powerful it can attack any country in the world without using a third country. Likewise, it can send aid to any group attached to it anywhere in the world without intermediaries."

Rosenthal explained that the North Americans have attacked Europe, Japan, and many islands in the South Pacific, among others, Korea, the SRV, Grenada, and Libya from aircraft carriers which sailed from the United States. [sentence as received]

Rosenthal, President Jose Azcona's replacement in case of temporary or permanent leave and a government economic adviser, responded in this way to reports in the local and international press saying that Honduras is preparing for an invasion of Nicaragua. These same press versions report that the U.S. humanitarian and military aid to the "Nicaraguan counterrevolutionaries will pass through Honduras."

Likewise, it has been said on several occasions that Honduras has become a "huge aircraft carrier," to facilitate at any time the military actions of the U.S. troops in Central America and the Caribbean." Rosenthal added: "All these statements are false. President Azcona has said on several occasions that we will not lend our territory to invade neighboring countries." He said he is convinced that Nicaragua does not want a war with Honduras, "just as we do not want a war with anyone."

Rosenthal said that the Nicaraguans "have so many internal problems at this time that they are not in a position to turn their troops against their neighbors. Moreover, with the U.S. aid to the contras, the Nicaraguan problems will increase in the near future." He did not want to comment on why the United States has greatly strengthened the Honduran Army since 1982, when U.S. troops arrived for joint military maneuvers.

VENEZUELAN AMBASSADOR ACCUSED OF 'MEDDLING'

PA012231 San Pedro Sula TIEMPO in Spanish 30 Jun 86 p 3

[Text] The Honduran Government has categorically rejected the statements appearing in the latest edition of NEWSWEEK magazine published in the United States that were attributed to the Venezuelan ambassador to Honduras, Dionisio Marcano. According to the magazine, the Venezuelan ambassador said that "many feel Honduras is an occupied country; Honduras has sold itself to the United States."

Such statements indicate unusual meddling by a foreign diplomat in our internal affairs, which concern only our political sovereignty and which cannot be -- under any circumstances -- the target of verbal or any other kind of aggression. Honduran foreign policy is based on a respect for the principle of nonintervention and self-determination of the peoples, even though we would like that self-determination to take place within the framework of democracy.

Our government is very much surprised and concerned over the interventionist statements by Ambassador Marcano, as he represents a country with which we have had traditional relations of friendship and Latin American solidarity.

DEPUTY ACCUSES CONTRAS OF SELLING ARMS TO FMLN

PA020406 San Pedro Sula TIEMPO in Spanish 30 Jun 86 p 10

[Text] Modesto Rodas Vacas, a deputy of the ruling Liberal Party of Honduras [PLH], charged yesterday that the anti-Sandinist rebels based in Honduras are taking the weapons supplied to them by the United States and selling them to the Salvadoran leftist guerrillas who are struggling to oust the Jose Napoleon Duarte regime. The son of late PLH leader Modesto Rodas Alvarado also charged that the United States is pushing Honduras, El Salvador, and Guatemala to invade Nicaragua.

Rodas Vacas said that the camps of anti-Sandinist rebels are in El Paraiso Department. He stated that up to a little over 1 year ago, the rightist guerrillas supported by the United States also had bases in Choluteca Department.

"At present, all of them have been taken to El Paraiso," the politician said, pointing out that the Roberto Suazo Cordova regime always denied the presence of the contras in Honduras, but now Jose Azcona Hoyo has admitted their presence in national territory. "The camps have always been in Honduras, and not in Nicaragua," the deputy living in the southern Choluteca Department stated.

The politician accused the rebels who form part of the so-called FDN based in Honduras of being cattle rustlers both here and in Nicaragua and of evading clashes with the Sandinists. He affirmed that the Managua Sandinist regime will not be ousted by military means through the approval of aid for the rightist rebels supported by the United States. "They are not going to defeat the government of the nine commanders, the deputy said, pointing out that "the only feasible way would be to unite the armies of Honduras, El Salvador, and Guatemala to invade Nicaragua." Rodas Vacas charged that "the United States is leading to that," pointing out that when it is time for the war, the Americans are not going to send "a single soldier" from their country.

He estimated that with the aid of the $100 million approved by the House of Representatives for the contras, there will be a "few more rich ones in the rebel ranks." The deputy pointed out that on previous occasions Nicaraguan rebel leaders have charged there is corruption among the FDN ranks in handling the U.S assistance. He charged that in Choluteca the contras were selling arms, ranging from Browning pistols to M-3 and M-16 rifles, and they are currently doing so in El Paraiso Department. He pointed out that a Browning normally sells for 1,100 lempiras in the local stores, but the contras sell them for 150 lempiras. He added that the M-3 and M-16 rifles are sold for 250 to 300 lempiras.

He affirmed that the FDN contras are selling weapons to the leftist guerrillas of the FMLN of El Salvador. "The Salvadoran guerrillas have stocked up on weapons, food supplies, and rifles from the counterrevolutionaries, and this can be confirmed in El Paraiso," the poltician said. He pointed out that "weapons from the contras have ended up in El Salvador."

BRIEFS

NEW AMBASSADOR TO MEXICO -- Jose Ayax Zuniga Tellerias presented his credentials as new Honduran ambassador to Mexico to President Miguel de la Madrid on 17 June. He replaces Ricardo Pineda Milla. [Summary] [San Jose RUMBO in Spanish 20-26 Jun 86 p 2 PA]

NICARAGUA

ARCE ADDRESSES FOREIGN PRESS, FIELDS QUESTIONS

Contra Aid, LA PRENSA Closure

PA012131 Managua International Service in Spanish 1717 GMT 1 Jul 86

[Statement by Commander of the Revolution Bayardo Arce Castano, deputy coordinator of the FSLN Executive Committee, at a news conference with foreign correspondents in Managua on 1 July -- recorded]

[Text] As we said in the National Directorate's statement, we have determined that it is necessary to take all the measures that will permit the Nicaraguan people to deploy their forces better and be in a better position to confront the new situation brought about by the approval of the $100 million. As you know, the problem is not only that the counterrevolutionaries are openly being given $100 million. Already [words indistinct] had reported that the CIA had moved $400 million in covert aid for the counterrevolutionaries. In other words, the aid does not amount to $100 million, but to $500 million. In addition, the package approved mentions $300 million for the Central American governments, with which their obedience would be bought. Now we are dealing not with $500 million but $800 million.

We can see this opens a new political stage of the U.S. aggressiveness that President Reagan does not conceal. He said that this is the first round. We do not know how many rounds the fight will have, 15, 10 or 3, because we do not know to what category this fight belongs, whether professional or amateur. One thing is certain, however, and this is that we have entered a new stage, and we must defend our revolution. We will defend our political pluralism, we will defend our mixed economy, we will defend our nonalignment, we will defend the possibility of drafting our constitution. We will do this by using all the means that the people require, whether military, political, or legal. Naturally, in this case we must prevent U.S. Government (?agencies) financed by this very same government from destroying our democracy and political pluralism.

This is why LA PRENSA was closed down. You know, and it has been published by U.S. newspapers, that this newspaper has been and continues to be financed by the U.S. Government through intermediate agencies. This fits with the shameless payments effected through an organization known as (?Proensa). LA PRENSA directors were also taken to the United States to campaign for the $100 million during their last offensive. We must defend our democracy against those agents of the U.S. Government.

Terms for LA PRENSA Reopening

PA012253 Managua International Service in Spanish 2200 GMT 1 Jul 86

[Text] Commander Bayardo Arce Castano, deputy coordinator of the FSLN Executive Committee, has said that the newspaper LA PRENSA will be authorized to circulate again when the U.S. Administration's aggression against the Nicaraguan people ceases. He made these remarks to the Association of Foreign Correspondents in Nicaragua [Asociacion de Corresponsales de Prensa Extranjera en Nicaragua], Acpenic.

Asked whether the death penalty for counterrevolutionaries and mercenaries who attack the Nicaraguan people will be (?established), Commander Arce said that this cannot be determined in [words indistinct] terms. Nicaragua respects accords signed by the United Nations [words indistinct]. Further, the leader of the Nicaraguan revolution said that during the fifth regular meeting of the Sandinist assembly, attended by [words indistinct] for the defense of the people, in view of the U.S. Government's new escalation of aggression.

Strictures on Opposition

PA011948 Paris AFP in Spanish 1831 GMT 1 Jul 86

[By Arturo Gudino]

[Text] Managua, 1 Jul (AFP) -- Commander of the Revolution Bayardo Arce Castano, deputy coordinator of the FSLN Executive Committtee, today said that the ruling FSLN will not allow the members of the opposition who travel abroad and "act as agents for the Reagan administration" to return to Nicaragua. In direct allusion to Cardinal Miguel Obando y Bravo, the most prominent member of the domestic opposition, Arce said that "they will be allowed to come and go as long as their positions remain civic. However, if they behave has agents for the Reagan administration, they will not be allowed to return no matter who they may be."

Last weekend, the Sandinist government refused to give permission for Msgr Bismarck Carballo, spokesman for the Managua archbishopric, to return to the country. This refusal was interpreted as a message addressed directly to Cardinal Obando y Bravo. However, Arce denied that there is a list with names of members of the opposition who will not be allowed to return to the country should they travel to the United States or any other country.

"For the time being, we will guarantee that those who leave the country will be allowed to return as long as they refrain from making statements in favor of the war that the United States and its mercenaries are waging against the Sandinist revolution," Bayardo Arce said during a breakfast with the foreign correspondents accredited in Managua. The Sandinist leader said that the opposition cannot ignore the $100 million in aid for the contras approved by the U.S. Congress nor the involvement of neighbor countries in the war against Nicaragua.

Meanwhile, Arce denied the rumors regarding the establishment of the death penalty in Nicaragua as a means to confront the domestic "subversion." However, he did not deny that the measure had been studied. Arce also stated that the Sandinist Government will not radicalize the revolution. "We continue to defend the strategic principles of mixed economy, political pluralism, and international nonalignment," Arce stressed while insisting on the fact that the approval of aid to the contras, "opens a new phase" in the Central American crisis. Arce warned that it is not only $100 million for the counterrevolution, but also $300 million to "try to buy" the Central American governments and $400 million for the CIA to use in the war against the Sandinists.

Regarding the closure of LA PRENSA, the opposition newspaper, Arce reiterated that this newspaper "always acted as spokesman for the Reagan administration" and that "its directors were constantly traveling to campaign in favor of the contras."

Arce also announced that the Nicaraguan Government will purchase more weapons from socialist countries to confront the rebels and an eventual U.S. invasion. "The danger of an invasion grows stronger. If Reagan fails with his mercenaries, and we are sure he will, he will have but two choices: invade or negotiate, and because of the way he thinks, he will choose the first alternative," Arce warned.

The Sandinist leader, who described the U.S. President as a "fascist," said that "Nicaragua has hopes that once Reagan leaves the White House, the possibilities of negotiation will improve." "We think that nothing worse can come after Reagan," Arce added.

Meanwhile, Arce said that the Sandinist Assembly -- the National Directorate's consultation organization -- is currently analyzing the country's economic situation which is being described as the revolution's Achilles heel. "We are involved in an indepth study of the economic problem to find solutions to the serious problems" of supply, lack of food, and the high prices that are affecting 3 million Nicaraguans.

Citizenship for 'Foreign Agents'

PA020427 Managua Domestic Service in Spanish 0312 GMT 2 Jul 86

[Excerpts] Nicaragua will adopt the necessary measures to guarantee the people's defense against the aggression financed by the U.S. Government, making use of all means, leaving no room for foreign agents to destroy Nicaragua's democracy, Commander Bayardo Arce Castano, deputy coordinator of the FSLN Executive Committee, said. Arce discussed the agents who insult and act as enemies of their country, revealing that a proposal will be submitted for approval as part of the new Constitution which denies citizenship to those people.

Here is what Commander Arce said:

[Begin recording] In the discussion of the new constitution, there is a proposal which we consider a good countermeasure and are currently debating whether to approve it for inclusion in the constitution. It denies citizenship to those individuals who have blatantly renounced it by becoming U.S. citizens, registered in Reagan's Republican Party of their own will. [end recording]

ICJ Ruling Enforcement

PA020116 Managua International Service in Spanish 0006 GMT 2 Jul 86

[Text] Nicaragua can appeal to the U.S. judicial system to ask that the U.S. executive branch heed ruling of the International Court of Justice [ICJ] that that nation pay reparations to Nicaragua, Commander Bayardo Arce said today. During a news conference, the deputy coordinator of the FSLN Executive Commission told international correspondents that the amount to be paid in reparations can be determined by the ICJ. Nicaragua will continue to make efforts to ensure that the ICJ ruling will not be good only on paper. We believe that the worst thing we must face [words indistinct] international relations and that the world's leading organizations be mocked, the Sandinist leader stressed.

BARRICADA EXPLAINS CARBALLO ENTRY DENIAL

PA020338 Managua BARRICADA in Spanish 1 Jul 86 p 5

[Text] Here are the reasons why Priest Bismarck Carballo cannot return to our country: he conducted an open and strong campaign in favor of the approval of the $110 [as published] million for the Somozist mercenaries; he carried out propaganda activities that are totally against the Nicaraguan people; and he defamed and slandered the revolution through various media sources. This was announced yesterday by official government sources.

Carballo, a spokesman of the Nicaraguan Catholic hierarchy, has been slandering and defaming the revolution from his pulpit in Managua. On 10 and 13 April of this year he said: "The copies of the Sunday publication THE CATHOLIC HERALD, whose contents were clearly liturgical, have been confiscated. The cardinal's [Obando y Bravo] column, 'The Voice of Our Pastor,' published in LA PRENSA has been suspended, as well as other articles, in order to prevent the church from using the media."

However, Priest Carballo never mentioned the church's intentions behind those publications, which were particularly meant to encourage youths into evading the Patriotic Military Service [SMP], or the undertone of the articles that Obando y Bravo published in LA PRENSA.

In Costa Rica, he expressed his fears about the seminarians' return to their seminary, because they could be taken away by the authorities. However, he did not specify that the center was used as a refuge for many youths trying to evade the SMP. On 28 May he said in Taily: "The church is against U.S. imperialism, as well as against Soviet and Cuban imperialism. The church does not express its position against the U.S. aggression in a written document because it would be used by the Sandinist government for propaganda purposes, and because a very dangerous Marxist-Leninist ideological campaign is being conducted, which has resulted in the closure of the church's voice, Radio Catolica."

In his statements, Priest Carballo ignores the church's commitment to the Catholic people, takes sides with the aggressors, and then appears as a victim of the measures taken by the government to defend the revolution.

Carballo maintained that the same campaign of lies and calumnies during his appearance in the United States, with the difference that he used stronger and more offensive terms. On 30 April he said: "The commanders shiver when they hear Cardinal Obando y Bravo's name." At the same time, he began an intensive campaign together with Cardinal Obando y Bravo and Bishop Vega, which clearly showed that he favored the aid for the Somozist mercenaries. His statements were very useful for Reagan's campaign in the U.S. Congress.

CPDH LEADER CRITICIZES HUMAN RIGHTS SITUATION

PA302140 San Jose LA NACION (NICARAGUA HOY supplement) in Spanish 21 Jun 86 pp 1 C, 3 C

[All quotation marks as published]

[Text] "Nicaragua is experiencing the most difficult human rights situation in its history," Lino Hernandez, national coordinator of the Permanent Human Rights Commission (CPDH), has asserted, adding that "there are currently no fewer than 10,000 political prisoners in the Sandinist jails."

"The human rights situation in Nicaragua is so difficult that our existence as a commission and our personal freedom are not guaranteed in our country," Hernandez asserted during an interview with NICARAGUA HOY. "The CPDH receives no fewer than 150 complaints monthly about violations of human rights by the government -- including deaths, torture, mistreatment of prisoners, disappearances, persecution against unions, as well as religious persecution -- and by the military. Moreover, of the "no fewer than 10,000 political prisoners in Sandinist jails, 2,000 are peasants from various departments in northern Nicaragua who are being held without sending their cases to any court." "Since December last year the regime has unleashed a fierce persecution against the peasants of at least six departments in our country's northern region, accusing them of collaborating with the insurgents and, unfortunately, this means that the number of prisoners will continue to increase every day," he stressed.

In addition to pointing out the serious status of human rights in Nicaragua, Hernandez said that the State Security Corps "acts outside all laws without control, and we have no means to change this situation." "We have cases of people who were arrested by the State Security Corps a year ago, but their cases have not been passed on to the courts, which not only represents a violation of human rights, but a demonstration of arbitrariness by that Interior Ministry office."

After mentioning the three peasants who were made to disappear by the State Securiy Corps in May, Hernandez voiced concern over the already constant deaths of prisoners in the Sandinist dungeons which are later depicted as "suicide cases." Bringing out the case of former Sub-Lieutenant Jose Eduardo Trejos Silva, who died at El Chipote jail, Hernandez said that "the CPDH had learned that this prisoner was being subjected to ill treatment in the jails." "Regarding the case of this former Sandinist serviceman who 'committed suicide' in the jails of the Nicaraguan Government, we can assert that we noticed "a number of irregularities in the case of this unfortunate man," he asserted. "We watched on state television the savagery with which Trejos Silva and the other military man called Aguado had their clothes removed in a public act of degradation," he noted. "During the trial of Trejos Silva and Aguado Montenegro, the dignity of those prisoners was not respected. Besides, we are surprised that a prisoner should have hanged himself with a sheet, as the Interior Ministry said in its communique, because we know from testimony by many former inmates that "prisoners are not allowed to have sheets" in El Chipote Jail.

There is human rights issue on which the Sandinist regime takes a most harsh stand. It is that Manague "does no admit objections of conscience from any standpoint." Tens of youths from the "Jehovah's Witnesses" sect who have refused to put on the military uniform and fight because they are conscientious objectors have been forced to undergo training and have been forcibly taken to fight," Hernandez asserted. "The trials for draft dodging are actually few because the government is mostly interested in getting the boys to go and fight."

Questioned about the restraints on and future of the CPDH, Hernandez answered: "Our future as an organizaton and our freedom as people are not guaranteed in Nicaragua, but this is a commitment we have assumed before our people since the foundation of the commission in 1977." "Since that date we have even defended many of those who are currently holding some of the highest positions in the Sandinist government and who, from these positions, enjoying the perquisites afforded by power, are now assailing and persecuting our organization," he said in concluding.

UNO QUESTIONS EPS VERSION OF EEC OFFICIAL'S DEATH

PA300346 Bogota EL SIGLO (NICARAGUA HOY supplement No. 63, 25 Jun) in Spanish 24 Jun 86 p 2

[Communique issued by the Nicaraguan Opposition Unity (UNO) on 13 Jun; place not given]

[Text] On 5 June the newspaper BARRICADA reported that a Belgian citizen, representing the EEC, was killed by a Sandinist soldier. According to an official communique issued by the Defense Ministry, published by BARRICADA that day, Paul Dessers, a Belgian civil engineer, was fatally shot at the intersection of the Matagalpa-La Dalia highway in Matagalpa Department. Dessers had worked in Nicaragua for more than 2 years as an EEC adviser for the Carlos Fonseca Amador agricultural development project. Desser was killed by Francisco Perez, an EPS soldier, when he tried to stop the vehicle in which the European was travelling. The vehicle had an International Mission (MI 003) license plate, which is the same color as diplomatic license plates. The only difference is that the international license plate has the letters "MI," and the diplomatic plates, "CD."

The Defense Ministry communique says that Perez was trying to desert from EPS Military Counterintelligence (CIM) at the moment of the shootout in which Dessers was killed. The communique says that just before the grave incident, links between Perez and the armed opposition in Region VI, had been discovered. Perez fired his AK-47 rifle at Dessers when Dessers did not heed an order to halt. Immediately afterward, Perez fled but was captured and shot to death when he resisted arrest, the official communique says.

Dessers is the first member of an international organization to be killed in Nicaragua. The intersection where he was killed is a regular EPS sentry post. Obviously the EPS and the government have made up the story in a futile effort to clear themselves of all responsibility in this unfortunate incident. The report is full of contradictions: If Perez were wanted by the CIM, what was he doing at the EPS sentry post? And what is more, why did Perez not escape in Dessers' jeep, if, as the communique says, that was his intention when he shot Dessers?

UNO maintains that the Nicaraguan Government has made up a Soviet-style alibi to avoid its responsibility in this case. It should be forced to tell the truth about this unfortunate incident. At the least, an official explanation is necessary, or the countries of the EEC should reconsider their aid to the Nicaraguan Government, in view of the obvious danger faced by the members of its international mission in the country.

In the past it has been the regime's fatal tradition that a soldier in a sentry post has the right to shoot first and ask questions later. This totalitarian practice has taken the lives of many innocent Nicaraguan citizens whose only mistakes was not to have heard the "fatal halt."

UNO deeply regrets Dessers' death and urges the governments that are still sending their citizens to Nicaragua in a spirit of altruism and cooperation to think it over, so that in the future situations like this do not happen again.

Propaganda and Press Office, UNO

RAMA RIVER FLOODS FORCE EVACUATION OF THOUSANDS

PA302244 Managua International Service in Spanish 2200 GMT 30 Jun 86

[Text] Flooding of the Rama River, in the southern part of the Nicaraguan Atlantic coast, has caused 7,000 victims and destroyed over 100 hectares of corn.

The disaster, one of the major catastrophes of recent times, damaged many houses and killed thousands of domestic animals. German Benavides, political secretary of the FSLN for the affected region, said that a commission that will provide the victims with food and medical care has already been formed. It is important to point out that, thanks to the quick actions of the civilian defense in evacuating the residents to safer places, we have the death of only one person to regret.

MENINGITIS EPIDEMIC NOTED; U.S. ROLE SUSPECTED

PA300439 Managua International Service in Spanish 0000 GMT 29 Jun 86

[Text] The viral meningitis epidemic that has been reported in Managua could be the result of a bacteriological aggression on the part of the U.S. Government. Public Health Minister Commander Dora Maria Tellez did not discard this possibility, as she referred to the Reagan administration's lack of scruples. She said that 42 cases of meningitis, mainly affecting children, have been reported. She also referred to thousands of cases of gastroenteritis throughout the country.

BRIEFS

FINLAND GRANTS $20-MILLION LOAN -- The Finnish Government granted a $20-million loan to Nicaragua. This $20 million will be used to help the dairy industry. Pedro Antonio Blandon, Nicaraguan deputy foreign cooperation minister, negotiated this loan within the framework of Vice President Sergio Ramirez Mercado's trip to several European countries. The Nicaraguan Health Ministry will also benefit from this loan. It will receive medicine and hospital equipment. [Summary] [Managua International Service in Spanish 2000 GMT 20 Jun 86 PA]

NEW SPANISH AMBASSADOR -- New Spanish Ambassador Yago Pico de Coana y de Valicourt has presented his credentials to President Daniel Ortega. [Summary] [San Jose RUMBO in Spanish 20-26 Jun 86 p 2 PA]

SOTO MEETS WITH CPSU'S DOBRYNIN 30 JUNE

FL010200 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Jun 86

[Text] Anatoliy Dobrynin, CPSU Central Committee member, met in Moscow today with Lionel Soto, Communist Party of Cuba Central Committee Secretariat member and ambassador to the Soviet Union. Aspects of mutual interest were discussed during the meeting.

RISQUET RECEIVES ETHIOPIAN PARTY OFFICIAL

FL011234 Havana Radio Progreso Network in Spanish 1100 GMT 1 Jul 86

[Text] At Central Committee headquarters, Jorge Risquet, member of the Politburo and Secretariat, has received Ashagre Yigletu, secretary of foreign relations of the Workers Party of Ethiopia, who is visiting Cuba at the head of a delegation from that organization

During the fraternal and wide-ranging conversation, Comrade Yigletu provided detailed information on the discussion by the masses of the draft constitution that will establish the socialist character of Socialist Ethiopia and of the institutions that will hold the reins of state.

HAVANA TV CONDEMNS U.S. AID TO CONTRAS

FL011926 Havana Tele-Rebelde Network in Spanish 1100 GMT 30 Jun 86

["International commentary" by Juan Francisco Alvarez during the "Revista de la Manana" program]

[Text] The unprecedented decision made a few days ago by the U.S. House of Representatives, which yielded to the interests of Washington -- that is, to the private interests of President Ronald Reagan in his dispute with Nicaragua -- constitutes a formal declaration of war between two countries that, despite everything, maintain diplomatic relations.

This decision by the U.S. lower house ignores the International Court of Justice's almost unanimous condemnation of the U.S. bombings of Nicaraguan territory, the mining of Nicaraguan ports, and the continuous aggression of the counterrevolutionary bands that are armed, organized, and directed by the United States against the Sandinist revolution.

In this paroxysm of terrorism that appears to guide all U.S. domestic and foreign policy, the Central Intelligence Agency -- the baneful CIA -- has set aside its proverbial discretion in the past few hours and acknowledged that it had $400 million ready for the Nicaraguan counterrevolution. This means that it is no longer a question of the additional $100 million to be sent urgently to the anti-Sandinist counterrevolution.

NEWSWEEK, which printed this information, supplied of course by top leaders of the CIA, said the CIA was willing to provide logistical support, training, communications, and intelligence information to the counterrevolutionaries up to that amount. Logistical support is all the arms the counterrevolution needs, provisions, food, medicines, etc.

Training refers to that received both in Honduras and Costa Rica and to the training some important figures receive in the United States. Communications refers to the sophisticated means used to communicate not only with the counterrevolutionary bases in Honduras and Costa Rica but also with the leaders of the so-called Nicaraguan Democratic Force [FDN], who are in Miami and other U.S. cities. Intelligence information is the information acquired by U.S. spy planes and satellites that are sent to photograph [words indistinct] the counterrevolutionary groups that act against Nicaragua from Costa Rica and Honduras.

The publicity hoax of the CIA is evident. The CIA has never let it be known that it would send that amount of money to the Nicaraguan counterrevolution, and we all know that daily, through the secret conduits set up in the U.S. Embassies in Tegucigalpa and San Jose, the CIA provides funds to the FDN and to other counterrevolutionary groups that act against the Sandinist revolution.

Washington's latest decisions arouse international rejection, and several governments and officials of certain countries, especially of the Contadora Group and the Support Group, have come out against Washington's most recent decisions. They foresee the Vietnamization of the Central American conflict, which may lead the CIA to a situation similar to that of the Indochinese republic in the 1960's.

Meanwhile, in Nicaragua, the Sandinist government is taking measures against Washington's new escalation. It is preparing to strengthen defense in every way. Production is being increased to guarantee that the Nicaraguan people will be supplied and to try to crack the ironclad blockade the United States has decreed against Nicaragua. The Sandinist government is also combating the forces of domestic reaction. In this way, Nicaragua is preparing to face up to new mercenary attacks, murders, and kidnappings, and it is preparing not only to confront the domestic and foreign counterrevolution but also to resist a direct invasion by U.S. forces.

CASTRO PRESIDES OVER POLITBURO MEETING 27 JUNE

FL301206 Havana Radio Progreso Network in Spanish 1100 GMT 30 Jun 86

[Text] In a meeting on 27 June, the party's Central Committee Politburo studied documents that will be submitted to the Central Committee's second plenary meeting and approved in principle the economic and social evaluation of 1985 and of the first months of 1986.

Central Committee First Secretary Comrade Fidel Castro presided over the meeting. Participating were the Central Committee secretaries, the first secretaries of the provincial committees of the party and of the special municipality, the Union of Young Communists first secretary, the Council of Ministers vice presidents, the Central Committee department chiefs, and the ministers of the productive sectors and of the main government organizations related to the economy.

At the meeting it was made clear that the economic and social evaluation must achieve conceptual depths that correspond to the process of clarifying principles and correcting the methods used in directing the economy, the state administation, and the exercise of government and that should characterize this stage in the light of the reiterated pronouncements of Comrade Fidel.

The Politburo also studied the report and recommendations on the results of the plenary meetings of the provincial and municipal committees that were held recently. The Politburo agreed to present to the Central Committee plenary meeting a plan of measures enriched by the fecund debates that took place at the meeting with administrative, political, and trade union leaders of the Havana enterprises, and by the orientation provided by the commander in chief at that meeting.

When the Politburo meeting concluded, Comrade Fidel stressed the advisability of carrying out similar meetings in all provinces with the country's remaining enterprises.

All participants ratified their conviction that our working class and the entire working people, headed by the Communists and with the decisive contribution of the trade union movement and the consistent performance of the state organizations, will carry forward with maturity and revolutionary zeal the process of correcting and perfecting the performance we have already begun.

Opens Genetic Engineering Lab

FL020118 Havana Television Service in Spanish 0000 GMT 2 Jul 86

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, presided over the opening ceremony of the genetic engineering and biotechnology center this afternoon. Foreign personalities who attended were specially invited to the official opening of the new center.

Next to our commander in chief, Public Health Minister Julio Tejas and members of the organization's board of directors sat at the presiding table. Among the guests were WHO Director General Halfdan Mahler, Ecuadoran Public Health Minister Jorge Bracho, and U.S. scientist Randolph Lee Clark, who expressed their admiration of this extraordinary work of scientific progress built by our country's revolution.

During the event, the center's importance in conducting research was noted. The results of the work to be conducted here will have a great impact not only on our people but on fraternal countries of the Latin American continent and the Third World.

[Begin Castro recording in progress]... but the quality with which they have built it. I was able to notice this recently during a visit to the laboratories. I believe this is one of the projects that has been built with the highest level of quality in our country. So, we have to congratulate them not only for the speed with which they built it but also for the resulting high quality of the work. [end recording]

BRIEFS

NEW AMBASSADOR TO IRAN -- The Council of State has designated Comrade Isidro Contreras Perez ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Islamic Republic of Iran. [Excerpt] [Havana Tele-Rebelde Network in Spanish 1102 GMT 26 Jun 86 FL]

REPORTAGE ON CARICOM MINISTERS MEETING

Barbados' Barrow Addresses Group

FL020039 Bridgetown CANA in English 2334 GMT 1 Jul 86

[By Trevor Simpson]

[Text] Georgetown, Guyana, July 1, CANA -- Leaders from the English-speaking Caribbean opened a four-day summit here today to a clarion call by Barbados Prime Minister Errol Barrow for concerted regional action to preserve the sovereignty and guarantee the unity of the 13-nation Caribbean Community (Caricom).

In a half-hour discourse that won him frequent applause from the 2,000 delegates and invited guests at the National Cultural centre, Barrow said that whatever differences faced the four-day conference, regional heads of government should be at one on the absolute necessity to promote and defend the solidarity and sovereignty of this regional Caribbean family.

The leaders present had an absolute obligation to discover those strategies and mechanisms which will ultimately lead to unity of action in all major areas of economic, social and political life, declared the veteran prime minister, one of the founding fathers of the regional integration movement. The recently decentralised University of the West Indies (UWI) needed to retain its regional character and get out more into the community, Barrow said.

He said there was a hostility towards food production in Caricom which had to be broken down, and stressed that the Caribbean must be recognised and respected as a zone of peace.

There had been over the years, he said, too much of a tendency to regard trade as the be-all and end-all of the regional integration movement to the extent that the slighest discord between the prime ministers over some restriction affecting type or quantity of wearing apparel can plunge citizens of the two counutries into verbal or electronic warfare.

The promise of the regional integration movement even in the area of trade, cannot be realised unless we find new ways of communication to the mass of our people the need and purpose of all our regional institutions, Barrow, one of six speakers, told the ceremonial opening of the summit. Against this background, he urged his colleagues to commit themselves to the principle of the mobility of people and of people interaction within Caricom. We have an obligation to think and go on thinking of ways of how such a principle might be applied without imposing on any territory a greater strain than its resources are able to support, the Barbadian leader said. It was vital too, he said, that regional governments, the press, the church and all other organisations and institutions that call [words indistinct] join in the battle of defence of the unity of the region.

Hoyte Calls for Joint Venture

FL011925 Bridgetown CANA in English 1916 GMT 1 Jul 86

[Text] Georgetown, Guyana, July 1, CANA -- Guyana President Desmond Hoyte today called for a new regional joint venture regime in which public and private sector resources are pooled to the benefit of the 13-nation Caribbean Community (Caricom).

Hoyte canvassed the idea when he delivered the welcome address at the official opening of the seventh Caricom heads of government conference here. We have tended to regard the regional economy as a mere agglomeration of the separate economies. We must move rapidly and resolutely towards the concept of an integrated regional economy, the Guyanese leader told colleagues and guests at the national cultural centre here. He went on: It is appropriate...that we revisit the idea of the Caricom joint venture corporation. We should create conditions and establish mechanisms to encourage and facilitate a practical alliance of each country's resources with those of other Caricom countries, without shutting the door to non-Caricom enterprise and investment.

Guyana, he said, had already been making proposals along these lines to Caricom partners, seeking to ally its extensive natural and other resources -- including timber, fish, shrimp, gold, diamonds and silica sand -- with their strengths. Our proposals are based on the understanding that there exists entrepreneurial talent throughout the private and public sectors of the community; that such talent would respond to the production and export opportunities in a joint venture framework in which adequate returns on and repatriation of investment are possible; and that participation of non-Caricom partners is welcome, particularly in terms of financial, technological and extra-Caricom market support.

Further it is envisaged that the Bank of Guyana and its sister central banks would allow trans-border flows of funds and retentions of foreign exchange to satisfy the legitimate cash flow needs and ensure the viability of the arrangement. Initiatives such as these, he said, may well have the potential for simultaneously stimulating domestic economies as well as intra and extra-regional trade, one of the key issues to be tackled by the four-day summit meeting.

Hoyte said the findings of a Caricom technical group which examined the benefits of the two year old U.S. Caribbean Basin Initiative (CBI), a trade aid and investment programme -- were a matter of concern to the regional integration movement.

Notwithstanding such benefits as may have flowed from the arrangements, the fact is that in each of these areas of trade, investment, and economic assistance, decreases have taken place and actuality has fallen short of expectation, the Guyanese head of state said. The conclusions of our technicians seem to require us to examine the (sense) of any strategy excessively dependent on extra-regional support, or inordinately reliance on external benevolence.

Rainford Marks Anniversary

FL301906 Bridgetown CANA in English 1826 GMT 30 Jun 86

[Caricom Secretary General Roderick Crawford's message to the community member-states on the 13th founding anniversary, issued in Georgetown, Guyana, on 30 June by the Secretariat]

[Text] July 4th, 1986 marks the 13th anniversary of the signing of the Treaty of Chaguramas. The 13th birthday of the Caribbean Community Common Market, and the experience of these past 13 years leads us to adopt a posture which reflects a sober blend of optimism and realism.

The need for realism is dictated by the many trials and setbacks we have had to face in the challenging tasks of securing the individual and collective independence of Caricom states, of pursuing the inescapable imperatives of regional co-operation, and of coping with the pitfalls of international, political, and economic interaction.

Optimism, on the other hand, is justified in that the foundation of the integration movement is anchored in our shared historical and cultural experience and in that, however, tossed about the integration vessel may have been, we have thus far survived the journey.

This combination of realism and optimism has sustained all who have had the honour to serve the community during its 13 years of operation. The coming year promises to be no less difficult and demanding for the peoples and governments of the community that the first 13 years have been.

Their continuing collective effort to build up their economies and the narrow and fragile foundations inherited from the past will test to the utmost their faith, patience, commitment, and resourcefulness in the years ahead.

The world economic situation and internal pressures within Caribbean societies have made the task even more onerous as regional governments struggle to cope with the burden of their external debt and with deteriorating balance of payments.

Trade protectionism in the markets of some key industrialised countries and the growing assault on multilateralism in international, political, and economic relations are some of the hurdles at the wider global level we must surmount as we strive to construct a viable social and economic order at home here in our region, and as we preservere in the quest to make our way in the world.

There are also difficulties within the region that must be overcome during the 14th year of the community and beyond.

In this connection, a principle task before us is the recovery of the ground lost over the past four years in intra-regional trade.

The dialogue that has been in process in the region about this problem and appropriate measures to deal with it must be continued until our objectives are achieved.

In particular, in order to secure the basis for long term growth in production and trade, the region must proceed, in the immediate future, to extend and deepen its economic co-operation programmes in ways that harness the resources to supply the integrated markets of caricom countries.

Our continuing collective efforts to promote regional co-operation in agricultural development, in industrial programming, and human resource development are vital to the accomplishment of this long term goal.

In this regard, the common policies contained in the Nassau Understanding on Structural Adjustment and in the Barbados Consensus on the Development of Local and Regional Entrepreneurship and Skills, approved by Caricom heads of government at their fifth and sixth meetings in 1984 and 1985, respectively, remain vitally important collective statements of intent that must be given increasing practical effect with each succeeding year.

As the regional movement advances towards the goal of ever deeper levels of integration, it is a source of inspiration and encouragement that there is widening involvement of the regional public in the process and that the building of the Caribbean Community is not being regarded as the business of governments along.

The regional media and business, labour, professional and community organisations are impinging more and more on the policy process that shapes the community.

At this juncture, therefore, as Caricom Day 1986 marks the end of the 13 and the beginning of the 14 year of the community, we have the welcome assurance that the advance towards greater unity in the integration movement is an advance shared by the broad spectrum of interests in the regional public as a whole.

It is, with that satisfying reflection, that I extend best wishes for a happy Caricom Day to Caricom nationals everywhere.

Barbados Urges Economic Integration

FL270016 Bridgetown CANA in English 2101 GMT 27 Jun 86

[Text] Georgetown, June 27, CANA -- Barbados said today there was no viable alternative to Caribbean economic integration for regional development and Caricom member states must seek to make the current systems work. The island's new Trade Minister Evelyn Greaves made the point when he addressed his first Caribbean Community council of ministers meeting here.

Greaves call came against the backdrop of a major loss in momentum in the integration movement, characterized by import curbs, falling foreign reserves, balance of payments difficulties, and a dramatic decline in intraregional trade, with a resulting large scale job losses in industry in the 12-nation [number as received] Caribbean Common Market.

It is clearly the responsibility of this council to search for and identify practical solutions to put an end to these negative developments and to set the integration process in a positive direction once again, said Greaves.

The Barbados minister said that in this connection he viewed the proposed establishment of a new scheme to help Caricom exports as a critical and pressing issue. I firmly believe that intra-regional trade constitutues the very nerve centre of regional economic integration and that the future of the intergration process hinges on the expeditious identification of practical solutions to the problems we currently face, Greaves told the opening session.

The council -- second highest decision-making forum in Caricom -- has before it what Caricom Secretary General Roderick Rainford described as matters of fundamental importance. Topping the list are continuing efforts to restore growth in intraregional trade, the implementation of new marketing arrangements for agricultural product, and reorganization of the rules and tariffs that govern common market trading.

The council -- made up mostly of trade ministers -- will also seek during the two-day session to resolve problems linked to the production and marketing of edible oils and discuss the allocation of funds for regional projects under the current Lome Convention governing trade and cooperation between Europe and the African, Pacific, and Caribbean (ACP) group of developing states.

The outcome of the deliberations will go before next week's four-day Caricom heads of government summit which opens here Tuesday.

Grenada this morning handed over the chairmanship of the council to Guyana, whose trade minister is Winston Murray.

Trade Credit Facility Discussed

FL272020 Bridgetown CANA in English 1940 GMT 27 Jun 86

[By Trevor Simpson]

[Text] Georgetown, Guyana, June 27, CANA -- Substantial progress has been made with the formulation of plans to set up an independent new credit scheme to support a revitalized Caribbean Community export thrust, well informed sources said here today. The so-called Trade Credit Facility (TCF), seen as potentially vital to stimulating the sagging export earnings of member states, is one of the important issues going before Caricom finance ministers in Trinidad on Sunday.

The one day ministerial session is a vital forerunner to next week's Caricom heads of government conference at which financial and economic matters will have high priority.

The finance ministers, many of them heads of government, are being asked to endorse the mechanics of a scheme that would see a fund of at least U.S. 25 million dollars created to provide either pre or post-shipment credit to Caricom manufacturers with firm export orders but no guarnateed financing. Under the arrangement, particular encouragement is expected to be given to non-traditional exports.

According to the recommendations of regional technocrats, the TCF would be jointly financed by Caricom governments and the private sector, with soft loan support from international funding agencies. It is expected to be managed, at least initially, by the Barbados-based Caribbean Development Bank, which mooted the idea a year ago.

To operate viably at full capacity, the experts say, it would require about U.S. 75 million dollars. It is envisaged that it would take about six months to raise a satisfactory level of funding and put the administrative arrangements in place, the sources said. Already informal discussions have been held with the Inter-American Development Bank (IDB) and the European Development Fund (EDF).

We envisage that it (TCF) would operate through and/or in conjunction with export crditi facilities where they now exist in Caricom, as well as through other financial institutions like commercial banks, the sources told CANA.

The TCF is the most concrete new proposal yet for reversing a worrying four-year decline in intra-regional trade -- lifeblood of the 12-country Caribbean Common Market. Last year's intra-regional imports totalled EC1159.5 million dollars (1 EC dol; 37 U.S. cents) compared with a peak EC1.6 billion in 1981. Set against the 1984 performance, the fall off last year was 3.3 per cent.

The problem has been compounded by the Community's failure so far to reactivate a previous trade credit facility which had reduced the need for up-front foreign exchange in trading among common market members. Under the Caricom Multilateral Clearing Facility (CMCF), Caricom states used to trade in their domestic currencies and then settle their balances in U.S. dollars twice a year. The system collapsed in 1983 when it hit it U.S. 100 million dollar ceiling because of substantial indebtedness by one member financial backing to significantly lower the debt.

Commonwealth's Ramphal on RSA Sanctions

FL301520 Bridgetown CANA in English 2123 GMT 28 Jun 86

[By Bertram Niles]

[Text] Bridgetown, Barbados, June 28 CANA -- Commonwealth Secretary-General Shridath Ramphal said today that the decision of European Community (EC) leaders to postpone a decision on imposing economic sanctions against Republic of South Africa [RSA] would be opposed by the Commonwealth.

The Commonwealth will have no part of the EC's equivocation over apartheid, said Ramphal on arrival here en route to his native Guyana to attend a meeting of Caribbean heads of government. On the urgings of Britain and West Germany, a community summit in The Hague yesterday deferred a decision on imposing economic sanctions despite a threat last year to impose sanctions if violence continued in South Africa. The EC said it will consider in the next three months and in consultation with other industrialized states whether new measures may be needed to press home to Pretoria EC anger over the lack of progress in its efforts to dismantle apartheid. It attached a short list of products that could be banned without leaving much of a mark on EC trade with Pretoria.

The community's decision was both misguided and contradictory and the world, including many Europeans, will not acquiesce in it, Ramphal said in a statement. It was misguided because it sought to buy time for decisions on money in Europe at the cost of human lives in South Africa, black and white.

It was contradictory because, as the Commonwealth EPG [Eminent Persons Group] report concluded, the absence of economic sanctions is already deferring change in South Africa; yet the EC defers sanctions claiming that it wants to advance change.

The report of the EPG released two weeks ago recommended that economic pressure be brought to bear on Pretoria, saying it may be the last chance to avert the worse blood bath since World War Two.

The group was set up at last October's Commonwealth summit in Nassau to search for ways of bringing peace to South Africa. Seven Commonwealth heads of government will meet in London in early August to review the report and other developments. Apartheid will ride roughshod over appeasement, said Ramphal on the EC decision. Long before three months are spent, he said, the evil realities in South Africa will overwhelm restraint on sanctions. The commonwealth, however, will stay on course, faithful to the findings of the group of eminent persons.

OECS on Normal Trade Relations

FL301545 Bridgetown CANA in English 2320 GMT 28 Jun 86

[Text] Georgetown, Guyana, June 28, CANA -- Director-General of the Organization of Eastern Caribbean States (OECS) Dr Vaughn Lewis says the OECS member states want the normalization of relations among Caribbean Community member states to be the number one priority at next week's Caricom heads of government conference here.

Lewis told CANA the trade policies of Trinidad and Tobago and currency devaluations in Jamaica were causing damage to the economies of member states of the seven-nation sub-regional group. He expressed particular concern about the licensing system and foreign exchange controls in Trinidad and Tobago.

We continue to have difficulties with the export of garments and shores to the Trinidad market. We believe that there is a fair amount of scope for exporting to Trinidad and Tobago but these artificial barriers are really hindering us, Lewis said.

The OECS countries experienced a 12.9 percent decline in trade with Caricom member states in 1985 compred to the previous year, according to private sector analyses.

Dominica, he said, had experienced some positive movement in trade with Port-of-Spain and there was a slight improvement between the OECS and Jamaica, but nothing of any substance.

The OECS director-general said the economic difficulties facing Trinidad and Tobago's oil-based economy were well known and most member states have accepted that the level of trade with Port-of-Spain could not get back to that which obtained in the boom years. According to him, protectionism needs to be removed if there is to be a healthy level of intra-regional trade.

Lewis in fact said that some member states were waiting for the Chambers government to relax its trade restrictions before they themselves fully implement the 1984 Nassau measures to restore intra-reginal trade. Lewis said the OECS member states were interested in the resuscitaion of the Caricom Multilateral Clearing Facility, the suspended payments mechanism for intra-regional trade.

Caricom finance ministers are meeting in Port-of-Spain tomorrow to discuss the CMCF and a proposed trade credit facility to boost exports within and outside the region. We in the OECS feel that the CMCF should be revived because it would open up possibilities for trade with Guyana, Lewis said. To date there has been no concensus on the facility, he said, but the finance ministers would examine it again.

Commenting on the structural adjustment economic programme being pursued by member states -- one of the key agenda items at the summit -- he said that different countries were pursuing this in different ways and some progress has been recorded. Dominica has gone quite far in adjusting its economy as well as St Vincent, in particular, with the reogranization of its budget. What we don't want is to undertake measures which would increase unemployment, Dr Lewis explained.

He said many countries were trying to see how they can get finance and on a concessional basis to implement structural adjustment measures.

The OECS is also hoping to settle the question of funding for the establishemn of the OECS export development authority. The money is expected to come from the funds allocated for regional projects under the Lome Three convention, the trade an aid pact between the African, Caribbean, and Pacific states and the European Community.

We are particularly concerned with establishing the level of infrastructure that is present in many of the more developed countries. We intend to have an effective export development structure as soon as the funds are available and we see no conflict with a wider Caricom export facility, as our emphasis will be on agro-industry, he said.

BAHAMAS

PRIME MINISTER'S PARTY WINS BY-ELECTION

FL011400 Bonaire Trans World Radio in English 1130 GMT 1 Jul 86

[Text] Prime Minsiter Lyndon Pindling's party has won a legislative by-election in the first electoral challenge to that party since official reports linked his government to drug trafficking and corruption.

In the Bahamas, the election was widely thought to represent a test f Mr Pindling's popularity, following a 1984 commission of inquiry report that linked him and several ministers and official to drug-trafficking and inlfuence-peddling charges.

DOMINICA

IMF NEGOTIATIONS BEGIN FOR $3-MILLION LOAN

FL280044 Bridgetown CANA in English 2119 GMT 27 Jun 86

[Excerpt] Roseau, Dominica, June 27 CANA -- Dominica has begun negotiations with the International Monetary Fund (IMF) for a U.S. 3 million dollar loan to shore up the island's economy. Prime Minister Eugenia Charles announced the commencement of talks with the IMF just before leaving for a two-nation European tour that would take her to Britain and Belgium. On her way back home, she is heading for Guyana and the Caribbean Community (Caricom) summit.

Missions from the IMF, and the associated World Bank have already visited Dominica to discuss the three-year IMF support programme with government officials. Directors of the IMF were expected to consider the application shortly. Charles gave few details of the terms of the loan, but said she was certain they would be easier than the usual IMF programmes.

JAMACIA

SEAGA SAYS POLLS SHOW SWING IN JLP FAVOR

FL301618 Bridgetown CANA in English 1935 GMT 29 Jun 86

[Text] Port-of-Spain, June 29, CANA -- The latest Jamaican budget and government's handling of the recent rains that left more than 50 dead are among the factors which Prime Minister Edward Seaga believes have led to a definite swing in favour of government in opinion polls.

Seaga, in an interview with THE EXPRESS newspaper's managing director Ken Gordon, said that the most recent poll taken the day after his budget presentation had shown the gap closing by four points and that another poll taken since then, on a highly scientific basis, and shown a further substantial closing of the gap.

Now we are looking at a situation where the gap could be closed by election day, said Seaga, who is yet to set a date for the election.

There is a definite swing going in favour of the government at the present time, arising out of the budget which we presented, reductions in prices which have taken place since then, the calm and efficient ... and organised way in which we have handled this huge crisis and natural disaster that the country has ever faced, and a number of other factors, and that swing is moving in and narrowing that gap very rapidly.

Seaga said that he did not wish to say publicly what was the extent of the gap in the new poll because he was saving it for a particular occasion.

Despite recent severe flooding in Jamaica, Seaga was optimistic about the country's economy.

The rains, lasting several days, caused damage estimated at 400 million Jamaican dollars. Seaga said if not backed up by multilateral and bilateral agency assistance, this could eat away the 200 million dollars set aside for the country's road improvement fund.

The original plan, Seaga said, was to do 600-odd miles of road improvements.

The flood rains could affect us very substantially because it would pre-empt the resources, a lot of the resources, that we had set aside for specific targets, especially in the area of infrastructure, said Seaga.

Seaga said that there was the beginning of a recovery in the bauxite and aluminum industries and for the country's exports.

Jamaica's three-year approach to planning, said Seaga, now allowed it to be able to service its debts by firstly reducing the fiscal deficit, reducing the level of new borrowings as a percentage of the Gross Domestic Product (GDP) and turning its attention to the country's pressing problems.

The light has certainly grown brighter, Seaga told his interviewer.

ST VINCENT

U.S. FISHING VESSELS' CAPTAINS RELEASED

FL020048 Bridgetown Cana in English 2321 GMT 1 Jul 86

[Text] Kingstown, St Vincent, July 1, CANA -- The captains of three American fishing vessels were released from prison today, after their employers came up with bail amounting to U.S. 5,000 for each of the men.

Harry Burgess, Michael Traynhan and Colin Baldwin were remanded in custody on EC200,000 dollar (one EC dollar; 37 cents U.S.) bail, after pleading not guilty to illegal fishing and fishing related activities in the waters of St Vincent and the Grenadines.

Today, Senior Magistrate Oswald Jack, who had originally set the bail, reduced it and the captains, who spent 19 days in prison here, were freed pending hearing into the charges on July 9. The grant of bail followed discussions here at the weekend between Prime Minister James Mitchell and charge d'affaires at the U.S. Embassy in Barbados, Michael Carpenter. Details of the discussions have not been made public, but legal sources here said an out of court settlement could be reached as a result of the weekend talks.

TRINIDAD-TOBAGO

PPM PRESENTS SLATE OF ELECTION CANDIDATES

FL271920 Bridgetown CANA in English 1836 GMT 27 Jun 86

[Text] Port of Spain, Trinidad, June 27, CANA -- The leftwing Peoples Popular Movement (PPM) today presented its first six candidates to contest the next general elections here and gave highlights of its election platform. Party leader Michael Als presented the candidates at a news conference and announced that he himself will contest a South Trinidad seat currently held by Errol Mahabir, the foreign minister. Als said that additional candidates will be announced in the future, but reiterated that his party will only contest the 26 constituencies currently held by the ruling Peoples National Movement (PNM).

This means the PPM will not be fielding candidates in the ten seats held by the opposition which earlier this year joined forces to form the National Alliance for Reconstruction (NAR). The PPM is not part of the alliance.

Aspects of the PPM's programme released today reflected a mildly socialistic approach, with reforms promised in banking and finance, as well as land reform to bolster production. Als predicted a shock for the PNM, basing his prediction on feedback from the people which, he said, the PPM had obtained in surveys it has been conducting in various parts of the country.

On banking, the PPM proposed establishment of a single national bank to replace separate banking interests in the country. Part foreign ownership is proposed. Party vice president Wade Mark said this grouping of the banks under a single national umbrella was essential if they are to play a dynamic role in the country's development.

The PPM also called for a rescheduling of loans to keep businesses solvent, and a stabilisation of interest rates, especially for agriculture and industry. The party saw the need for a special court to deal with drug offenders, corruption, and the abuse of women and children.

Its land policy will be based on a land reform programme that it said would put under-used state and corporate land into the hands of the people for agriculture and housing. But despite the socialist flavour of its programme, the PPM said that foreign investment must remain in a mixed economy. It said foreign investment that is beneficial to the people of Trinidad and Tobago should be promoted.

TWO HIGH-RANKING MILITARY OFFICERS RESIGN

FL011837 Bridgetown CANA in English 1830 GMT 1 Jul 86

[Text] Paramaribo, Suriname, July 1, CANA-REUTER -- Two high-ranking army officers have resigned their posts in Suriname's left-leaning military government, headed by Lieutenant-Colonel Desi Bouterse. The two officers, Commanders Artie Gorre and Paul Bhagwandas, appeared alongside Bouterse when he announced their resignation in a statement to reporters.

Bouterse said that after much reflection the two had asked to be relieved of their posts in the military authority which, along with the cabinet, constitutes the government of this Dutch-speaking South American republic. He said the two officers had dedicated themselves to realizing the objectives of the revolution and to protecting its achievements, but they consider the time now ripe to be of service to the developments in another way.

Bouterse, a former Army sergeant, seized power in a coup on February 25, 1980, along with a group of non-commissioned military officers. His government, which has generally followed socialist policies, has changed seven times since then, while dealing violently with the political opposition

ARRON REPORTEDLY TO JOIN NEW GOVERNMENT

FL261732 Bridgetown CANA in English 1655 GMT 26 Jun 86

[Text] Paramaribo, Suriname, June 26 CANA -- Five years after being ousted in an Army coup, former Prime Minister Henk Arron appears set to join a new government to be sponsored by ruling military authorities here. Arron is one of three political leaders who have been engaged in deliberations of the Supreme Consultative Organ [SCO] -- Suriname's highest political authority mandated to spearhead reform of the country's political, administrative, financial, economic and social orders. The body is composed of representatives of the military, business and labour.

Two other political party leaders, beside Arron, have also been involved in discussions of the SCO. They are Jaggernath Lachmon of the United Reform Party, and Willy Soemita of the Javanese Farmers Party.

Arron, who was prime minister and leader of the National Party of Suriname, was ousted by a group of junior officers after prolonged negotiations over the formation of a union for military officers collapsed.

Meanwhile, all three poliical leaders have now been given the go ahead from their parties to become full members of the SCO.

Analysts here predict that their full involvement now means they could well be included in a new military-sponsored government which is due to take office in another ten months when the life of the present administration ends.

COLOMBIA

POPE ARRIVES FOR 7-DAY PASTORAL VISIT

PA012057 Madrid EFE in Spanish 2017 GMT 1 Jul 86

[Text] Bogota, 1 Jul (EFE) -- Pope John Paul II arrived today at 1505 (2005 GMT) at "El Dorado" Airport to begin a 7-day pastoral visit to Colombia. The Alitalia Boeing 747 was escorted from the time it entered Colombian airspace by five Colombian Air Force aircraft. President Belisario Betancur, the full government, and ranking church and government officials are awaiting the pontiff at the Bogota airport.

PANAMA

MOLIRENA OFFICIAL'S CAR DESTROYED BY BOMB

PA012128 Panama City EXTRA in Spanish 30 Jun 86 pp 1, 2

[Excerpt] David -- A new criminal attack took place in this city yesterday morning when unidentified individuals threw a bomb at the car belonging to Emilio de Leon, EXTRA correspondent and leader of the opposition Molirena [Nationalist Liberal Republican Movement] party. The car was totally destroyed.

A few minutes before the incident, two individuals were seen in a car near De Leon's home in the San Vicente neighborhood of this city. De Leon said the incident is not surprising because in previous days a self-styled propeace committee formed by PRD [Democratic Revolutionary Party] and PALA [Labor Party] Directors Anares Anzola, Ladys C. de Batista, Carmen C. de Cano, Esther Miranda, Ivan Gonzalez, Felix Navarro, and Eliseo Villarreal issued a communique threatening prominent opposition leaders, among them De Leon.

EXTRA correspondent De Leon was not hurt in the attack. He reiterated that this is not the first time he has been the target of these criminal acts. In the past, G-2 policemen have tried to harm him physically.

VENEZUELA

PRESIDENT APPOINTS NEW DEFENSE MINISTER

PA301734 Caracas Television Service in Spanish 1600 GMT 30 Jun 86

[Text] Today President Jaime Lusinchi swore in the new defense minister, Division General Jose Rafael Cardozo Grimaldi. He will replace Admiral Andres Eduardo Brito Martinez, who is retiring. The new defense minister said that emphasis will be placed on the maintenance of military equipment and that the country's technology will be used as much as possible.

[Begin recording] [Unidentified Reporter] Regarding the border problems and drugs, are you going to deal with this problem differently?

[Cardozo] Yes, I will work in coordination with the other government organizations as well as with security and development organizations to try to minimize problems such as smuggling, subversive activities, and drug trafficking. [end recording]